

FALLING INTO POVERTY: WHERE ARE THE HOLES IN FORMAL AND INFORMAL SAFETY NETS

(A case study in Sekondi-Takoradi Metropolis, Western Region, Ghana)

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Dedication

I dedicate it to Mr. Henry Owusu

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ABSTRACT

This study explores the use of safety nets as a redistributive mechanism to cushion households in mitigating risks and vulnerabilities, with urban communities in the Sekondi-Takoradi metropolis of the Western region as a case study. A safety net is an essential component of an effective development strategy in a world where shocks and risks persist, conditions which make people vulnerable to poverty. Formal and informal safety nets are part of a holistic framework of poverty alleviation, to protect the poor and the vulnerable against the consequences of risks. This enhances their capability to prevent the depletion of resources to keep them sustained in their degree of poverty.

The study adopts social risk management and resources approach to explore the ability of the formal and informal safety nets to prevent households from falling into poverty or becoming poorer from the perspective of informants. Household interviews were conducted selectively, with varied consideration of socioeconomic background of informants.

The formal and informal safety nets have the ability to keep households from falling into poverty or becoming poorer. However, there are problems in the formal and informal safety nets which makes cushioning vulnerable households challenging in an urban community. Of significance are wrong targeting, long bureaucratic process, corruption and mistrust.

The study documents the use of different mechanisms by households to cope and mitigate these shocks. Most of the coping strategies used by households are a means of survival and may not be considered as a safety net hence their susceptibility to become poorer. I therefore recommend an expansion of formal safety nets to complement the informal safety nets without necessarily replacing the functions of the latter.

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LIST OF ACRONYMS

AIDS	Acquired Immunodeficiency syndrome
CSN	Credit safety nets
CSUF	City-wide slum upgrading fund
FPSN	Formal private safety nets
FSN	Formal safety nets
GDP	Gross domestic product
GoG	Government of Ghana
GSFP	Ghana school feeding programme
GSS	Ghana statistical service
HIPC	Highly indebted poor countries
HIV	Human Immunodeficiency virus
ISN	Informal safety nets
LEAP	Livelihood enhancement against poverty
MFI	Micro financial institution
MTDP	Medium-Term Development plan
NGOs	Non-governmental organizations
NHIS	National health insurance scheme
NYEP	National youth employment programme
OVC	Orphans and vulnerable children
SIF	Social investment fund
SIT	Social Inclusion transfer
SP	Social protection
SRM	Social risk management
STMA	Sekondi-Takoradi Metropolitan Assembly
UESP	Urban environmental and sanitation project
UPRP	Urban poverty reduction project

CHAPTER ONE

INTRODUCTION OF STUDY

Poverty alleviation of any population is an important element in its capability to prevent, cope and mitigate risk and vulnerability when exposed to shocks. To enhance the capability of people is to sustain them in order to prevent a fall in their living conditions. For people to sustain themselves from falling below what a group of people deem an acceptable level of poverty (degree of poverty), there must be the putting in place of certain mechanism which can cushion them to manage risks. This mechanism is termed as a *safety net*. A safety net can be formal and informal in nature with the former referring to redistributive transfers by the public through government, Non-governmental organisations (NGOs) and the market (financial institutions, corporate organisations). The informal safety nets are transfers from a social network of friends, families and neighbours who provide support to the poor and vulnerable when they are faced with crises.

Structural interventions have been the main focus of development policies in developing countries. These interventions are intended to increase the resource capabilities of the poor through direct public transfers leading to the rise in social protection programmes. However, one of the concerns raised is how such programmes may prevent very vulnerable households who may be faced with the risk of becoming poorer from doing so (Holzmann and Jørgensen 2001, Holmes and Jones 2010). This concern has been raised due to the inadequacy of comprehensive social protection policies with a component of formal and informal safety nets to address post shock events to sustain households at their level of poverty.

These formal and informal safety nets are post risk mechanisms put in place to sustain households to maintain acceptable levels of living conditions without any deprivation in their resource capabilities. This research will distinguish between pre-risk and post-risk management strategies as well as discuss the use of safety nets by poorer households and policy-makers. In spite of the complexities of safety nets in developing countries, its absence and ineffectiveness may increase the number of the vulnerable and poor who will fall into lower levels of poverty. This calls for examining the functions and identifying the weakness (as mentioned in the thesis title as *holes*) in both formal and informal safety nets. Identifying these holes and mending them will enhance the urban poor's resource capabilities to sustain their resources through effective risk management, which in the long-term improve on their living conditions.

Moreover, it is argued that the pace of poverty reduction has been very slow due to the fact that households continue to fall into poverty or become poorer at different times. There

is the need to find out whether the existing formal and informal safety nets have the ability to sustain households when they are exposed to shocks considering the degree of poverty afflicting these households.

This study explores and highlights a number of factors that show the lived experiences of the vulnerable and poor households and their resource capabilities in managing risks in urban communities through formal and informal safety nets.

Research problem

Several studies conducted by researchers (Subbarao et al. 1997, Holzmann and Jørgensen 1999, Devereux 2002, Wietler 2007, Rahman and Choudhury 2012) have indicated that people in many parts of most developing countries, especially the poor and vulnerable without resources to cushion them against shocks, are more likely to fall into poverty or become poorer when exposed to risks. This has led to the development of a social protection policy as a means to reduce the degree at which people fall into poverty (Holzmann and Jørgensen 2001).

Furthermore, studies of the informal safety nets have shown that this form of a safety net which is effective against risks an individual is faced with, are gradually being eroded (Foster 2000, Rodrik 2000, Morduch and Sharma 2002, Arnall et al. 2004, Heemskerk et al. 2004, Rahman and Choudhury 2012). One can then pose this critical question of how effective are these informal safety nets in sustaining the urban poor from falling below the “acceptable” degree of poverty? One major reason is that formal safety nets in developing countries are limited (Subbarao et al. 1997) due to resource constraints, hence the continued need for informal safety nets to complement the former.

However, it is worth-mentioning that informal safety nets may be incapable of complementing formal safety nets when the latter is ineffective in managing risks. Additionally, when the informal safety nets’ functions are displaced by the former as some researchers (Cox and Jimenez 1992, Heemskerk et al. 2004) have indicated, there is the creation of a major challenge of more households becoming poorer when exposed to shocks. One plausible reason is that in events of shock, the urban poor have always been and still are to rely on informal survival strategies such as rationing of food, redrawing children from school, savings rotation and depending on assistance from social networks for small loans to enhance livelihood, income and assets (Subbarao et al. 1997, Devereux 2000).

Moreover, the concept of urban poverty has been on measurement of income, consumption and use of poverty line. However, with recent development, urban communities are more at risk due to an increasing population pressure, inadequate housing, poor health,

unemployment, inequality and insecurity (Amis 1992, Moser 1998). I conceptualize urban poverty in this thesis as a deprivation of a social relationship and resource capability. This is as a result of aforementioned events which makes it essential to examine urban poverty as a social network approach (Dershem and Gzirishvili 1998, Rakodi 2002, Dercon et al. 2004). A social network system highlights how households use social relationships at the local level to address risk issues.

Sekondi-Takoradi presents an interesting environment to study the formal and informal safety nets support to the vulnerable and poor. This has become necessary as a result of the influx of people in the city due to the discovery of oil in the region. This has led to the development of slums, pressure on existing infrastructures such as schools, hospitals, transportation system, market space and land in the city (Obeng-Odoom 2012).

Research questions

The objective of the research is to provide an insight into the experiences, motivations, conditions of the formal and informal safety nets in order to gain a deeper meaning into a safety net's ability to prevent people from falling into poverty or becoming poorer within an urban context. The research objective is:

To examine safety nets' ability to keep people from falling into poverty or becoming poorer.

To address the objective above, the following three research question have been designed:

- What type of risks make people susceptible to their degree of poverty?

Although households are faced with risks every day, becoming prone to poverty is dependent on the prevailing conditions and factors. These conditions such as variations in economic prices, unsustainable livelihood, climate change, political instability and extended family erosion are high there is a high possibility of a household without any support mechanism to become poor. As a result, it is important to examine the type of risks that the urban poor face. This will help in the designing and implementation of result-based safety nets which addresses the different type of risks and effects to improve the living conditions of the urban poor.

- What are the household strategies used in dealing with risk and vulnerability?

Poor and vulnerable households are easily exposed to risks which is one of the typical aspect of poverty. These vulnerable households are least protected from risk which hastens their depth of poverty. In view of this, it is important to identify the measures they use in managing risks and whether these measures have any detrimental effects on a households resource capability. This will improve on how policy makers may implement safety nets which can address the risks most poor households face without having any negative consequences on their resource capability. This will in effect help sustain vulnerable and poor household's living conditions without depleting their resources.

- Have formal safety nets today replaced the functions of informal safety nets?

As mentioned earlier, informal safety nets are gradually eroding and it is important to understand whether the erosion is as a result of the formal safety nets replacing the informal. Current research on informal safety nets have mostly focused on the *crowding out or crowding in* of informal safety nets in relation to the formal safety nets provided by states, NGOs and the market. However, little is known about the informal safety nets' ability to support households to manage risks and avoid being vulnerable to poverty. If the informal safety nets from households' experiences have an ability to prevent households from falling into poverty, then exploring how these safety nets operate are essential to the current state of research as it will enhance better development of safety net programs to reduce poverty.

Relevance of research

Although, many critics have questioned the inadequacy of safety nets in addressing the primary concerns of the poor and vulnerable in developing countries (Rahman and Choudhury 2012), there is the need to examine the relevance of safety nets from the perspective of the vulnerable and poor households themselves. This thesis will help practitioners and researchers to understand why some formal and informal safety nets may not help to sustain households who are facing crises.

To address the knowledge gap and enhance policy implication for the designing of an effective formal safety net, there is a need to explore the informal safety nets' ability to prevent and reduce households' exposure to risks and vulnerability in a community. This is as important as understanding the motivations and type of risk management strategies which the poor and vulnerable households use to prevent, cope and mitigate risks. Additionally, identifying weaknesses within the informal safety nets which may undermine their ability to achieve sustainable poverty alleviation in urban areas are important. It is essential to understand the

nature of these programmes as to their long-term effects in enhancing the resource capabilities of the poor.

Chapter outline

This thesis is made up of 6 chapters. Chapter one comprises of the introduction, research objective and questions outline to be answered in the thesis. Chapter two is in two sections, the first section is the conceptual framework, in this chapter I will specify and elucidate the concepts and features of urban poverty and safety nets. The second section of this chapter shows the theoretical framework which explains the study.

This is followed by chapter three where I will give background information about the study area, I will explore issues relating to safety nets in the study context, the different safety nets programmes available to assist the poor and vulnerable. The gaps identified in these programmes will as well be discussed. In chapter four I will explain the methodology used to study the case in the study area, I will also discuss the challenges I encountered in the field and how I overcame these challenges, outlining any biases I may have had before undertaking my research. In addition, I will discuss any ethical considerations in the field work.

Chapter five is the data analysis and results from my field work in Ghana. I will discuss types of risk which makes people vulnerable to fall into poverty or become poorer, households' strategies in preventing, coping and mitigating risks and whether the formal safety nets have replace the functions of informal safety nets. Chapter six is the concluding chapter. I will summarize the main findings, policy recommendation and issues for future research.

CHAPTER TWO

THE CONCEPTUAL AND THEORETICAL FRAMEWORK

Introduction

This chapter has two components, firstly I will define the concept of an urban poverty and characteristics. In addition, I will examine the definition of a safety net and identifying the variables, challenges and opportunities of a safety net as poverty prevention and a resource promotion mechanism which enhance individuals and households' capabilities to prevent, cope and mitigate risks. The second component of this chapter includes a theoretical framework of social risk management of a safety net from the view point of the study.

Urban poverty

For meaningful policies to be implemented to address hazards and vulnerabilities households are faced with in the communities. It is significant to understand urban poverty as a multi-dimensional phenomenon in terms of definition and causal factors (Amis 2002). Urban poverty has been specified as the unfitness of a household to receive access to basic needs such as housing, urban services, wellness, nutrition, self-esteem, longevity and education (Lipton and Ravallion 1995). The increasing concentration of poverty in urban areas comes from both dynamics in population and economic elements which includes the negative effects of economic reforms on the urban poor. Furthermore,

In this thesis, I conceptualize urban poverty as deprivation of a households' capability to resources such as physical, societal, financial and human to nurture them when expose to hazards. This is because the social and political setting in which a household live influences their capabilities to either get poor or stay poorer. Although, urban areas have been identified as disproportional privileged in terms of public goods and services by urban bias research (Lipton 1977). As a consequence of low-income, price increases, elimination of housing, food and fuel subsidies and decline in urban infrastructural and services makes them more vulnerable to fall into poverty.

Households in the cities live entirely in a monetized economy and become vulnerable to variations in the cost of living. They are likewise faced with overcrowding, insecurity, crimes, violence, lack of privacy, health hazards and environmental degradation. In view of this, for households in urban regions to be adequately resourced to buffer risks to maintain them from becoming prone to poverty. There is the need for formal and informal safety nets to raise their capabilities through risk reduction at the policy level whilst a redistributive transfer of resources may also assist in softening them.

What is a safety net?

A safety net issues have become an important instrument for poverty reduction programmes and has established well in developing countries (Coady 2004). Nevertheless, it is essential to examine the definition, broad concept of safety net, its benefits and challenges to achieving poverty reduction in developing countries. Notwithstanding increasing concern, the concept of a safety net remains vague and difficult to comprehend. This is equally a consequence of evolving terminologies and approaches.

The term safety net is deduced from the hire-wire walker who is protected by a net if the walker comes down. The available safety nets must have the ability to prevent any walker from injury when there is a fall. Deduced from this reasoning, a safety net is applied to poverty reduction strategy of preventing people from falling into poverty or becoming poorer when they are faced with shocks.

The term safety net was introduced in relation to structural adjustment programs introduced in developing countries during the 1980s to 1990s as a social mitigation program to address the adverse effect of economic reforms developed (Paitoonpong et al. 2008). This has been reformed from the initial conception of “... *as some form of income insurance to help people through short-term stress and calamities*” (World Bank 1990, page 90). The term safety net has been elaborate as:

“... programs that protect a person or household against two adverse outcomes: chronic incapacity to work and earn (chronic poverty) and a decline in this capacity from a marginal situation that provides minimal means for survival with few reserves (transient poverty).” (Subbarao et al. 1997, page 2)

The initial definition by the World Bank reduce a safety net as a mechanism to redistribute income to those vulnerable to enhance their welfare through productive activities. This definition limits a safety net to only the vulnerable households without considering the degree of poverty.

A safety net has been defined based on a research and policy design objectives. This leads to the three school of thoughts definition of a safety net as income-consumption, assets and risk management. The first school of thought defines a safety net by income and consumption. The *income-consumption* approach to a safety net explains safety net as a transfer of cash and food to low-income households who are threaten by livelihood shocks (Devereux 2000, Heemskerk et al. 2004). Furthermore, Devereux (2000) defines a safety net as cash and

food transfer to low-income households who are threaten by livelihood shocks. This definition is mainly used in studies exploring food security and livelihood strategies.

However, poverty is a multi-dimensional approach which moves beyond income and consumption (Amis 2002). In addition, the exposure to shocks is more complex than income variability in livelihoods. Although, low-income households are more expose to shocks, a safety net addresses vulnerability which involves the non-poor, near-poor and poor when they are exposed to shocks (Paitoonpong et al. 2008).

A safety net goes beyond a transfer of cash and food, it involves both goods and services rendered to individuals and households in times of shocks and crises. Grosh et al. (2008), simply explain a safety net as a set of non-contributory transfer programs that targets to improve the wellbeing of the poor and vulnerable. A non-contributory transfer means that there is no payment from the beneficiary unlike some programs which demand payment of premium by the beneficiary whilst the government pays the rest.

On the contrary, the above definition limit a safety net to only those formal programs initiated by governments and international institutions without reference to informal mechanisms which function as a safety net to most of the poor and vulnerable in developing countries where there are limited availability of a formal safety net.

In contrast, Santos and Barrett (2006), argue from the *asset-based approach*. To them a safety net is a transfer mechanism which defend households from falling onto a path of unsustain loss of assets which subsequently makes them poor. The meaning of a safety net through this definition is from a point of transfer of assets as a mechanism to prevent shocks and vulnerability which eventually make people poor. Although, an asset transfer is key to poverty reduction, a vulnerable household may not have the requisite capacity to sustain the assets if the underlining risk issues are not addressed.

Another approach has been the *risk-management approach* (Holzmann and Jorgensen 1999). This approach takes into consideration income, consumption, assets and livelihood as a means to enhance capability as a safety net. For the purpose of this thesis, I align my definition with risk management which is expounded to include both a formal and informal mechanisms which enhance a capability of a household to resist shocks. A safety net in this thesis is defined as:

A transfer of resources (economic, social, human, natural, financial and physical) through formal or informal mechanisms which enhance the capability of a household to manage risks and

vulnerabilities preventing them from falling into poverty or becoming poorer.

The rationale for the above definition is based on Sen's capability theory which suggests that poverty is not only lack of income and use of goods and services but the deprivation of the capability of the individuals and families to use resources available to their optimum satisfaction (Sen 1984). This approach means that, for individuals and households to resist risks, depends on their capabilities to use the available resources to prevent falling into poverty or becoming poorer. In addition, the definition further considers the social risk management (SRM) approach from Holzmann and Jorgensen (1999) as a strategy to manage risk by reducing vulnerabilities which eventually makes a household to become poor or poorer in communities. The above definition clearly incorporates a safety net transfer as a mechanism to redistribute resources and its' ability to reduce risk and vulnerability in poverty reduction programmes. The ability to manage risk is dependent on capabilities of the agency which in this case the household to prevent poverty through a use of a formal or informal safety net.

Type of safety nets

A safety net can be placed under two headings, formal and informal (Jimanez 1999). The difference between formal and informal safety net is based on the institution responsible for the transfer of resources to cushion the vulnerable and poor against risks and shocks. A formal safety net is transfers made in cash and kind, released to cushion vulnerable and poor households to manage risk (Wietler 2007), this form of transfer is provided by governments and Non-governmental organisations (NGOs) (Paitoonpong et al. 2008). The formal safety net is sometimes refers to as public safety net whilst the informal is referred as private safety nets that is support receive from families, friends, neighbours and solidarity group such as religious groups and communities.

Wietler (2007) recognized a modern-type of a safety net between the two extremes; formal and informal as a form of a formal-private safety nets which is introduced by the market players. These organizations may be both western and indigenous which is made up of financial, insurance and multinational companies in providing corporate social support to the poor and vulnerable households. Most safety nets are financed by the public sector, however, in most developing countries an informal safety net is supported privately through social networks and community-based arrangements that help mitigate vulnerability and deprivation (Paitoonpong et al. 2008).

A formal safety net

According to the World Bank, a formal safety net transfers may take the form of cash or income transfers, such as subsidies to food, fuel, housing, allowances to children, the elderly and introduction of food stamps, feeding program, and public work related programs that may provide financial support to the vulnerable by providing a source of livelihood during shocks such as drought and persistence diseases (World bank 1990, Subbarao et al. 1997).

On that point is variety in the objectives of a formal safety net such as protective, productive investment, and risk management. The *protection* is based on redistribution of resources to the poor and vulnerable to protect them from becoming poor or poorer. This is directed at the most vulnerable category of people such as children, old people and disabled households who may be incapable to engage in livelihood support activities and accumulate assets to help them reduce poverty and inequality in the society.

The *productive investment* principle aims at the chronic poor, which enhances their capability to invest in their future through human and economic resource generating programmes. This improves upon their living standard through taking effective risk opportunities which may have greater returns such as allowing children to enrol in school than engage children in low-income livelihood which may have a long-term negative impact on the household.

Another precept is the *risk management* aspect of a safety net. This has the objective of supporting families to manage risks to avoid adopting harmful coping strategies when they are exposed to risks and shocks. This approach provides an insurance function which enhances their capacity to make choices for developmental growth. The transient poor are likely the target of such programs (Grosh et al. 2008).

Formal safety nets can be grouped into cash and in-kind programmes. Cash transfers can be conditional or unconditional (De Janvry and Sadoulet 2006). Conditional cash transfers provides financial assistance to target beneficiaries upon the fulfilment of set of conditions such as enrolling children in school, attending ante-natal and postnatal care and skills training, whilst the unconditional refers to transfer without any set of responsibilities or conditions such as assistance to old people, voluntary and orphan children. In-kind transfers occur through food related programmes, human capital, price subsidies, micro credit and public works. The above discussion is mainly associated with the broad social protection program instead of safety nets.

An informal safety net

Informal safety nets are commonly referred to as private transfers as mentioned above. Although, a wide range of other terminology exists, including informal support networks,

informal risk sharing and informal insurance arrangements. Informal safety nets have been explained based on the moral economy (Swift 1989, Adams 1993), which means that people find it morally accepted and obliged to help one another in need through some form of moral contract. It is considered as social capital (Moser 1998), meaning the network of people to call up and share risks in time of shock and crises. Risks are shared through the operation of local institutions of social network such as community and religious groups.

Devereux (1999) envisages informal safety nets as a “*subset of coping strategies that involve drawing support from other households*” (page 5), individuals and community associations, particularly during periods of livelihood shocks. However, Holzmann (2001) points out that informal safety nets includes not only informal coping strategies, but also mitigation strategies. Mitigation strategies enhance the capability of an individual or household to reduce the effect of future risk and vulnerability. Foster (2000) explained further the activities of the informal safety nets as: “... *mechanisms which includes care for the sick or dependent relatives and provision of material relief, labour and emotional support to destitute or bereaved families*” (page 59). Informal safety nets denote not merely the transfer of goods but services. It includes the non-market commodities where cash, food, clothing is rendered to the recipient or services such as childcare, house-help, skills training, work or knowledge and information to livelihood opportunities in the urban area.

According to Foster (2005), the provision of informal safety nets is done through local establishments such as the extended family, acquaintances, neighbours, social and community networks. Social networks are based on shared values, belief and norms about harmony and support which enhance risk-sharing mechanisms to assist each other when exposed to risk (Arnall et al. 2004).

Space and time are key to the effective functioning of informal safety nets. Families and individuals who live in close proximity have the tendency of receiving transfer in time of risks rather than households further away of the donor. This is accompanied by a paraphrase from the bible as “*a friend closer is better than a brother further away*” in proverbs. This means that a neighbour closer may help prevent risks and vulnerability when a household is threatened with risk in the time of crises, since by the time information gets to kinsmen further away for them to mobilize and assist, the vulnerable household may have already fallen into poverty. However, Rosenzweig and Stark (1989), are of the view that such proximity only helps households to mitigate individual risks rather than systemic risks. In this perspective, they stress the need to join up with other social networks further away from a household's proximity who may in turn help to mitigate risk during a systemic risk.

Functions of informal safety nets

In time of crises, social networks have turned out to be an important resource to survival strategy in the daily life of households (Dershem and Gzirishvili 1998). Transfer of resources between households as a mechanism to risk sharing (Rosenzweig and Stark 1989, Fafchamps and Lund 2003). This shows that when a household is faced with risks, since there is a transfer of resources from the non-risk households to the risk household, there is the pooling of resources to support the affected household to enhance the capacity to cope with the shock and this prevent the household from falling into poverty. However, the affected household is also expected to reciprocate when other households are faced with risks. This type of reciprocity weakens the informal safety nets in the sense that, when a household is unable to reciprocate this gesture any time another household is faced with risks, there is no motivation to support them any longer hence an increase in their susceptibility to fall into poverty whilst those poor become poorer.

In accession to a range of functions performed through the informal safety nets such as the supply of short-term insurance to the vulnerable and poor in time of income shortfall, support to the aged, children, care taking during illness (Cox and Jimenez 1992, Arnall et al. 2004). The social networks also provide a form of insurance and protection against risk. People seek shelter for other people they know such as their relatives and friends in the event of serious drought, famine, warfare, unemployment. This function helps promote resilience to shocks and mitigate the negative effects. The informal safety nets in addition, provide assistance to new migrants through the ties of place of origin and destination (Granovette 1995). However, in communities where people are universally poor, it is difficult to share resources, especially in time of systemic shocks that affect the majority of the people in the community such as floods, drought, ebola and AIDs. Holzmann (2001) observes that, informal transfer is effective to manage individual risks as opposed to systemic risks among households.

Informal safety nets are a potential resource that can provide households with the exchange of food, financial help, shelter and risk-pooling during a crises. Funeral and marriage ceremony are really important ceremonies in Ghana, and in dealing with the cost associated with these ceremonies, a lot of households depends on the contribution support from social networks (Dercon et al. 2004). This involves the participation in local mutual assistance associations such as credit rotating and solidarity groups which provides insurance to households in time of shock (Arnall et al. 2004). In addition, in providing public goods which requires the pooling of resources to develop and protect productive assets such as the

maintenance of stand pipe, cleaning of drains and communal assets is also dependent on social networks (Baland and Platteau 2000).

Networks of blood and kin as well serve to relay important information, such as job vacancies or commercial enterprise opportunities. Granovetter (1995) documents the role that networks play in matching workers and employers. In addition, the most essential function of informal safety nets is the reduction of the possibility of a household's vulnerability to basic necessity of life such as food, clothing and shelter (Dershem and Gzirishvili 1998).

Motivation of informal safety nets

Before people transfer resources to other households, there are underneath reasons why such an action is taken, the reason is called motivation. These actions are accompanied by the motivation of who is at risk and vulnerable to fall into poverty or become poorer at a particular time within a particular space. In that respect are three broad reasons why people transfer resources which is altruistic, transactional and reciprocity (Arnall et al. 2004). When actions are backed with an altruistic motive, there is no expectation of returns of such favours to the household who receives the goods and services in time of shock. Resources are transferred through altruistic motives is a linear approach, meaning self-sacrifice of the giver to the recipient without taking into consideration the mutual benefits. This type of transfer exists between a household of high standard and a lower standard household, which indicates a vertical distribution of resources (Devereux 2000). An instance of such a transfer is a house owner and his gardener, although the gardener receives some level of remuneration for the supply of his services, when he is threatened with a shock such as the demise of a minor, the non-poor household with an altruistic motive may transfer resources to the gardener to undertake the burial cost without expecting the gardener to return such gesture whether directly or indirectly. Nevertheless, when risks are frequent an altruistic donor may limit the assistance to the vulnerable household in order to avoid over dependency on one hand whilst the vulnerable household on the other hand may find it challenging to continue receiving assistance from one particular donor.

In contrast to altruism, transactional motives show two-dimensional connection where transfer of resources occurs between families with similar socioeconomic status when expose to risk (Devereux 1999). This suggests an exchange of good and services such as a vulnerable household, sending a member to remain with a non-vulnerable household in an urban area to be developed, whilst the most vulnerable member helps in managing household chores in the non-vulnerable house. This exchange enhances networks as there is the tendency of reciprocity applying.

Another reason why people may want to help another household in time of shocks is for the receiving households to return that gesture when the giving household is also exposed to risk. This type of reasoning is known as reciprocity (Arnall et al. 2004). This may happen routinely such as transfer of data about a job vacancy to a vulnerable household who intend after getting the job may directly or indirectly reciprocity that action by buying a gift for the children of the previous family. This mechanism enhances the urban dwellers to insure themselves against risks. However, there are certain determinants which enhance the motivation to transfer resources to vulnerable households in an urban setting. This may be as a consequence of a household's strong network such as kinship, friends, geographic proximity, solidarity groups, religious affliction and a previous level of commitment towards other vulnerable households.

Challenges to informal safety nets

Although, informal network support to households play a significant part in protecting the life of family, friends, and solidarity groups who are vulnerable in developing countries in the past (Fafchamps 1992, Townsend 1995), studies have figured out that the informal safety nets in developing countries, especially sub-Saharan Africa is gradually eroding in modern times (Foster 2000, Rodrik 2000, Morduch and Sharma 2002, Rahman and Choudhury 2012). The eroding of this type of safety nets has been ascribed to increased urbanisation, breakdown of extended family structure, problem of reciprocity, weak social ties, economic development and systemic risks (Moser 1998, Rodrik 2000, Coady 2004).

Urban areas function as economic opportunities as new jobs are generated and the urban economy enhances competitiveness and growth in cities. In view of this, most rural households whose kinship live in cities and big towns are less vulnerable to shocks, especially during natural disasters since household members transfer resources to cushion households (Haddad and Zeller 1996). However, increase urbanisation and economic crises have exerted pressure on household capability to shift resources. As urban residents pay higher prices for rent, variability in fuel costs which increase transportation cost, food and water, sanitation life becomes challenging hence the decrease in informal transfers. This leads to the gradual breakdown of distance relations and the formation of new network relations in the cities and town who may have the capability to reciprocate when they receive transfer of resources in time of crises (Moser 1998).

Although, informal networks function well under personal risks, all the same, it becomes challenging during prolonged and widespread risks which affects a number of people

within similar space and time. This places stress on the limited capacity of informal networks to mitigate vulnerability as household with the capability to help reserve the few resources to enhance their resilience to mitigate the hazards rather than help other households, thereby making the very vulnerable to fall into poverty. This has an effect on the informal safety networks as people will at once become more protective of their resources than the transfer which eventually breaks down network relationship.

Safety nets ability to sustain households

Safety net programs have been the concern of both governments and donors as a means of protecting the incomes and the standard of living of the poor and vulnerable. This has become paramount as a consequence of the fall in macroeconomic stability and structural adjustment measures (Subbarao et al. 1997). In addition, it has become an effective instrument which enhances poverty reduction through targeting the poor and vulnerable to manage and mitigate shocks in times of crises. The importance of safety nets to enhance the capability of household to manage risks efficiently and make investment to deal with future risk cannot be overemphasized. Recent studies indicate safety nets as compatible to poverty reduction and development rather than a trade-off (Devereux 2000, Arnall et al. 2004). This is critical in developing countries where market-based instruments such as credit and insurance to protect the vulnerable and poor against risks and shocks have failed to address the needs of the vulnerable in the society (Ravallion 2003, Alderman and Hoddinott 2007, Grosh et al. 2008).

Furthermore, the transfer of resources as a safety net to the household, improve on their capability to mitigate and prevent severe harm to household assets which has been accumulated over the past years through livelihood strategies, thereby enhancing poverty prevention and promoting the capability of households to escape poverty. Studies have shown the potential of safety nets to enhance livelihood protection and promotion (Devereux 2000). This is because when resources are transferred, it cushion households to make an effort into risky livelihoods with a higher return with the view that, when livelihood fails, there will still be some transfer to cushion them. However, it is argued that effective safety nets do not only enhance livelihood protection, but also promote the capability of households to manage and reduce risks to prevent vulnerability and the consequences of poverty.

Conceptual framework

The discussion above is conceptualized as a diagram below to indicate safety nets and poverty reduction through the transfer of resources to cushion poor and vulnerable households from becoming poorer or falling into poverty respectively.

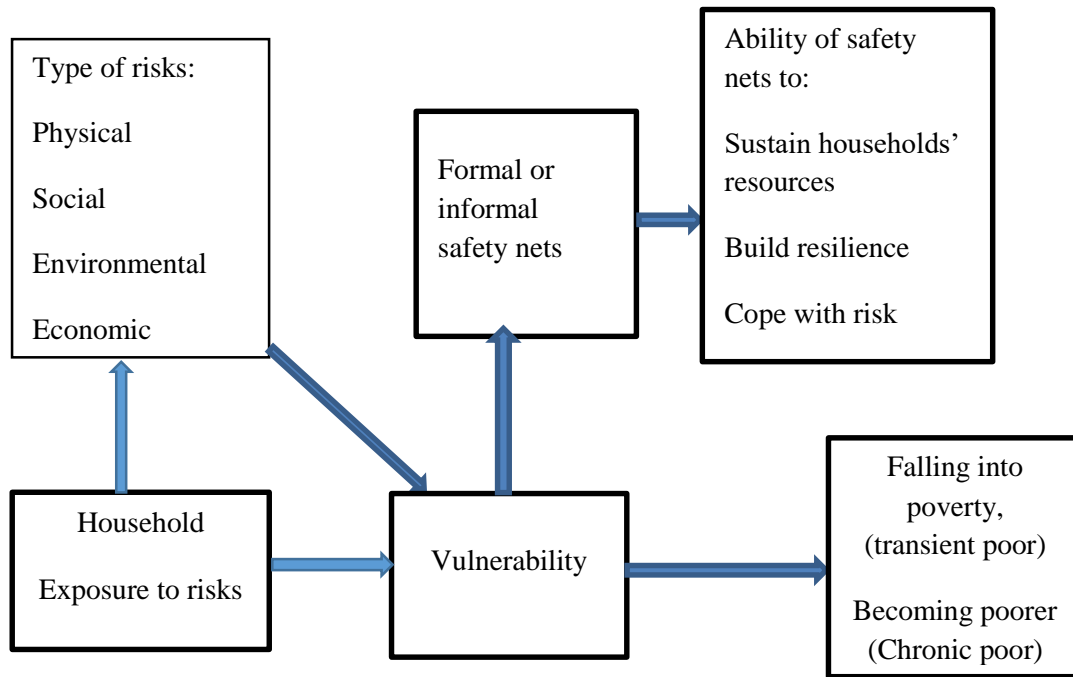


Figure 1. A diagram of conceptual framework.

Source: Author's own construct.

The above figure indicates how households' exposure to different type of risks are prone to fall into poverty or become poorer. The fall into poverty are mainly those previously non-poor and near poor households who when expose to risks become vulnerable to poverty when there are no transfer of resources to cushion them in a form of a safety net. When a non-poor and near poor households fall into poverty which is transitory as a result of risk exposure is termed as *transient poor* whilst a *chronic poor* households and those who are already poor and will remain poor unless there is a transfer of resources which will improve their capability through livelihood approaches to become less poor (Subbarao et al. 1997). Although the transient poor households may take opportunities available to them such as the social networks to enhance their capability to prevent and cope with poverty, it is worth mentioning that those transient poor can also become poorer if they deplete all their reserve resources without any formal safety net transfer.

In order to prevent vulnerable households from falling into or becoming poorer, there is the need for a redistribution of resources to vulnerable households both the chronic and transient poor in a form of safety net. A formal and informal safety net mechanisms will enhance the capabilities of the poor and vulnerable households to prevent and mitigate risks, in so doing not only resulting to coping strategies but mitigation strategies. This will improve

their wellbeing through promoting and protecting sustainable livelihood strategies and prevention of depletion of resources when they are exposed to risks. This approach helps to understand the concept of a safety net and its outcome of improving a poor and vulnerable household to better manage risks through building resilience.

Theoretical framework

It is evident that the safety nets play an important role in poverty reduction. However, the capability of the informal safety nets as a poverty reduction strategy has not been clarified, although, its erosion has been the basis for the proliferation of formal safety nets in developing countries especially sub-Saharan Africa.

Although, risk management theories have been in place for the past fifty years now, it is prominent in the field of financial insurance to mitigate risks and its consequences which affected individuals (Crockford 1982). Its application to social safety nets and poverty reduction is through the studies of Holzmann and Jorgensen (1999). In order to explore the ability of how formal and informal safety nets may prevent a household from a fall or becoming poorer, I will use a modified version of social risk management theory (SRM). The significance of this theory is to enable the understanding of the strategies that households make use of when they are threatened with shocks that prevent them from being vulnerable to fall into poverty in an urban context. It takes into account the main characteristics of household exposure to risk, type of risks, vulnerability, resilience and the interrelationship between the characteristics.

A Risk and Vulnerability

A risk refers to exposure to threats whilst vulnerability refers to an impediment which weighs an individual or household to downward mobility through physical, social, economic, spiritual and emotional exposure to risks (Devereux 1999). This can cost severe injury and damage to a household when there are inadequate safety nets to support. In dealing with risks a household will make use of available resources at their disposition to reduce and mitigate risks to prevent them from becoming vulnerable to fall into poverty. In countries where there are limited formal safety nets, a large number of households make use of informal mechanisms such as inter-household transfer (Lim and Townsend 1998), to protect them from *individual* risks (Santos and Barrett 2006). Risks may be from natural disasters, economic, political, emotional, service-delivery failure, social and political (these risks can be driven internally or externally).

Households are exposed to two main category of risks which may be household-specific or community based. Risk can be *personal* on one hand and *systemic* on the other hand, depending on the number of individuals or households who are threatened simultaneously

within a particular space and time (Paitoonpong et al. 2008). This means that risk can be spatial-temporal meaning exposure to risks occurs within space and time. Personal risks are those that involve an individual or a household through death of a breadwinner, unemployment and long-term illness whilst systemic risks are those that involve a great number of households or a community as whole. Typical of such risks can be an increase in food costs, economic crises, earthquake, flooding, drought, loss of livelihood as a consequence of large scale downsizing of workers.

There are two components of vulnerability, exposure to risk and resilience to mitigate risk (Chambers 1989). Although, there is no dispute to the fact that asset, consumption, income, livelihood are important mechanisms towards poverty reduction, nevertheless, I agree with Holmanzz and Jorgensen (1999) that a capability to manage risk and vulnerability is more complicated than a focus on asset and income. This is exemplified in a complex survival coping and mitigation strategies adopted by households based on social networks and behavioural responses to risks (Devereux 1999). In addition, the type of responses adopted by households to manage and mitigate risks and vulnerability can have severe consequences on their investment initiatives which demean their capability to endeavour into other entrepreneurial activities as they use few resource reserves to mitigate risks (Rahman and Choudhury 2012) hence falling into poverty. This indicates that there is no need for any complex argument to underscore the importance of safety nets as a priority to enhance households' capability to manage risks and vulnerability as a poverty prevention strategy for the vulnerable households. This capability to manage and mitigate risks and vulnerability is dependent on the households' social networks such as families, friends and solidarity groups far and near to assist in cushioning a household against depletion of resources through risk sharing (Dershem and Gzirishvili 1998).

Social risk management (SRM) and degree of poverty

To effectively manage risk and vulnerability to sustain households in their degree of poverty, households need the capability to pool resources to manage and mitigate risks. This capability enhances resilience when a household is exposed to risks. To build resilience depends on the available resources such as social, human, financial, natural and physical which enables the household to manage risk and vulnerability.

Strategies use in managing risk have been classified into three namely: risk reduction, risk coping and mitigation. *Risk reduction* are actions taken in response to reduce the likelihood

of a shock which is mainly through macro level interventions such as waive fees and subsidies. This intervention is transfer mainly through government, NGOs and financial institutions to cushion households who may be at risk through implementation of economic reforms such as SAPs (Subbarao et al. 1997). Public responses to risks are address through direct and indirect cash transfers. For any government to achieve sustainable growth in development is to reduce risks which will make households worse off at the source. The aged, children and vulnerable people are more likely to be impacted during any risks. In view of this for a government to reduce risks is to give out retirement benefits, child maintenance, health insurance and subsidies to this category of people.

Risk coping are actions in response to shocks after a household has been exposed. This include redrawing children from school, engaging female and children in economic activities, drawing down savings, selling assets and reducing food consumption. *Risk mitigation* involves actions to reduce the impact of shocks through self-insurance, informal insurance, and diversification of livelihood, acquiring of economic assets with higher returns and setting up household enterprise.

The figure below indicates how households use variety of resources to reduce, cope and mitigate risks.

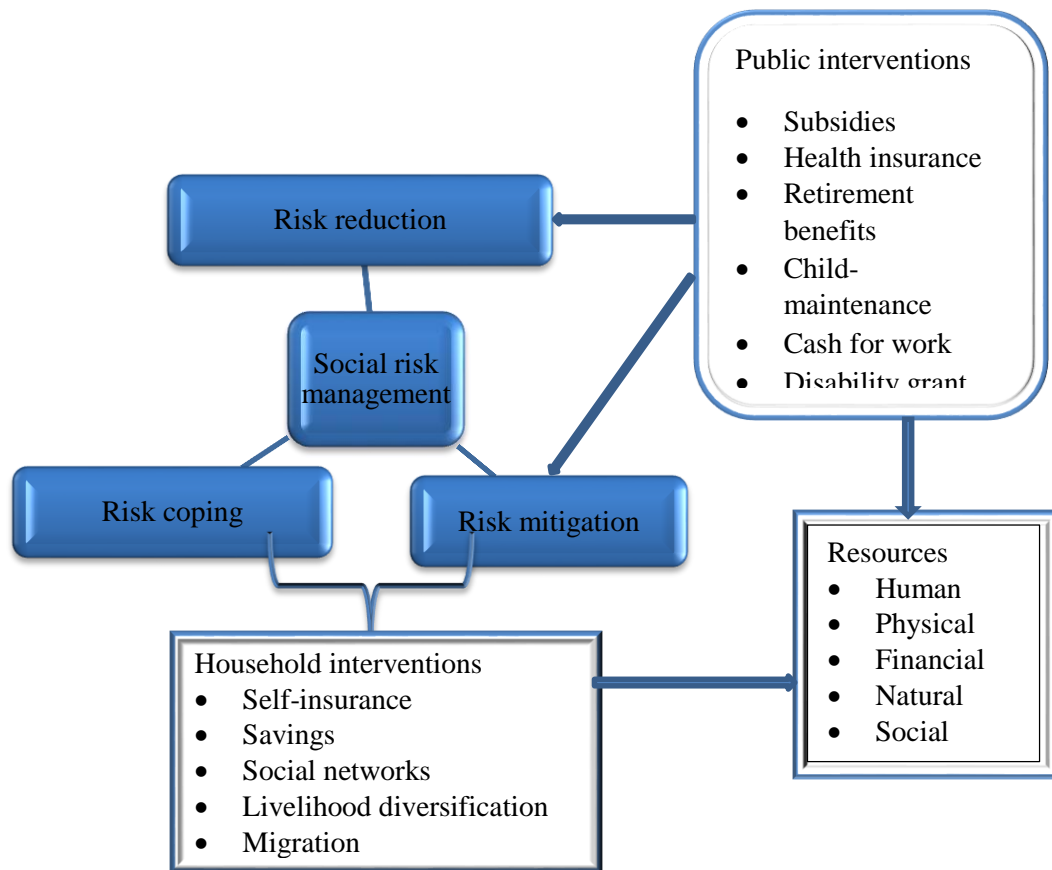


Figure 2. A theoretical framework.

Source: Author's own construct.

Social resource refers to the build-up of personal ties with other families to create and support networks which one draws upon for support when threaten with risks (Moser 1998). It calls for the sharing of thoughts, experiences, pooling of resource and assistance in child care services to cushion each other in the urban community. This indicates that the ability to absorb risks to prevent falling into poverty or becoming poorer is based on the capability of the households in terms of social network will enable a transfer of resources from one household to another in time of crises.

Physical resource is the stock of productive resources such as infrastructure, equipment and machineries. In the urban areas, most of the vulnerable households live in areas where community infrastructure such as roads, drainage, water and sewage are poor in condition. This makes a household more vulnerable to health and natural risk. In addition, some households may lose their accumulated investment as a result of environmental risk, such as flooding which may damage some productive assets such as sewing machines, cars and refrigerators. In view

of this, households who are vulnerable to disaster such as flooding move their valuable resources to other households who live in areas less vulnerable to flooding to protect their resources. In addition to mitigating against future damage of their resources as a result of environmental risk. Others also forms communal labour to clean drains and pool resources to repair damaged community infrastructure to raise productivity and also mitigate risks. This calls for government interventions such as construction of sea-defence, storm drains, roads and utility development through cash for work programmes. A cash for work programme will help a vulnerable household who have lost a livelihood to be actively engaged in work to gain income whilst the community benefits from the physical infrastructure.

Human resource is complex as it involves household's exposure to risk and household capability to manage the risks. Human resource indicates the knowledge, skills, health, education, nutrition and capability to response effectively to risks when exposed to them. (Lipton and Ravallion 1995). From the perspective of risk management, the capability to manage and mitigate risks and vulnerability may depends on how healthy and knowledgeable a household's experiences to risks and resilience, measures to mitigate future risks and minimize exposure to risk which makes the vulnerable to fall into poverty. This is because illness, death from HIV/AIDS, malaria and Ebola may undermine the capability of a household's human resource to build resilience against risks, hence making them vulnerable to fall into poverty or become poorer.

Financial resource is the accumulation and accessibility to securities, savings, shares, bonds, and supply of credit facilities to households. Although, financial resource is crucial to manage and mitigate risks, the formal structure to credit facilities in most developing countries are inadequate and complex to be accessed by households who are exposed and vulnerable to fall into poverty. In view of this, most households engage in rotating savings and loans where money is mobilize, this is given to one person to address a risk (Zeller 2001). It keeps rotating until all the individuals in the group have accessed the fund. In addition, some community and solidarity groups also make contribution into a pool of resources in which they invest the funds to support members of the network who are exposed to risks. However, before a household can access this fund, the household must first adhere to rules such as being a regular contributor and supporting other network households who were previously expose to risk.

The term natural resource indicates an enhancement to household capability to manage and mitigate risk. Nature is endowed with a diversity of species which support the very survival of human existence. It also provides a livelihood for some of the vulnerable and poor household in the urban areas. For instance, some households resort to the use of wood as fuel for cooking

when prices in gas and electricity increases. However, it is essential that overdependence on the natural resources is increasing the exposure to risk such as climate change and devastation of the ecosystem. For stability and enhancement between nature and human, there is the need for safety nets mechanism which will improve on the capability of households to manage and mitigate being exposed to risk and reducing vulnerability which makes them become poorer.

Although, resources are essential towards effective safety nets which sustain households at their degree of poverty. The redistribution and transfer of resources through formal and informal safety nets to cushion households who are exposed to risks are challenged due to inadequate formal safety nets and erosion of informal safety nets. This will hinder the ability of a safety net to prevent a household from falling into poverty or becoming poorer.

Chapter summary

I have discussed the concept of urban poverty as the deprivation in households' capabilities to access basic needs and resources. In this chapter I also deliberated on the concept of a safety net and examined the different types of safety nets as formal and informal with emphasis on the informal safety nets. I further discussed the motivation and challenges of the informal safety nets. Although, the concept of a safety net is highly indefinable and difficult to understand, however, it may indicate the capability to manage and mitigate risks which is associated with vulnerability and eventual falling into poverty.

There are different types of safety nets, nevertheless the focus was on the formal and informal safety nets which involves networking and ties of families, friends, neighbours and solidarity groups. In addition, I examined the theoretical framework of social risk management within safety nets which enhances the capability of households to manage and mitigate risks and vulnerability with available resources.

Current studies indicate the significance of risk management in poverty reduction programs. SRM moves beyond coping strategies; it involves mitigation against future incidence of the same risks and its consequences hence preventing and reducing poverty. Subsequently, the components of the SRM which is considered relevant to answering the research questions from this study were selected to form a simplified version of the framework.

CHAPTER THREE

THE CONTEXT OF SEKONDI-TAKORADI AND SAFETY NETS

Introduction

In this chapter I will discuss the setting of the study area to help understand the factors which influence vulnerability and poverty in the urban area of Sekondi-Takoradi with reference to political timeline. The relevant historical, demographic, socioeconomic and ethnic background is important to realise the nature of the vulnerability and the effects on livelihood, income, consumption, assets and capabilities to manage risks. The chapter will also discuss a brief history of formal safety nets interventions and challenges in the Sekondi-Takoradi metropolis. This discussion will enhance the understanding of a safety net and its' ability to prevent people from falling into poverty or becoming poorer in an urban community. I will also talk about some of the formal safety nets both internal and external programmes with reference to urban specific programmes. In setting up a safety net in an urban community context, there will be an expansion and questioning of the past and present safety net's programmes in the timeline framework and the period of gaps and the consequences on resources and sustenance of transitory and chronic poor households in Sekondi-Takoradi.

Geographical location

The Sekondi-Takoradi covers a total land area of 219 kilometres square, It is also sited along the west coast of Accra about 280 Km and 130km east from La Cote D'Ivoire (STMA 2014). Sekondi is the administrative capital of both the metropolitan area and western region. The city is endowed with resources such as sea, rivers, mangroves and beaches which serves as sustenance and livelihood in the variety of tourist attraction in the region. There are variances in the landscape of the city from one point to another. The area is generally low-lying with an altitude of 6meters above sea level (STMA 2014). The low-lying areas are more vulnerable to flooding during heavy downpour of rains, and the shoreline is decreasing due to the natural processes of sea erosion which makes a lot of households more vulnerable to displacement. Although the city authority provides emergency relief materials to affected households, the emotional and psychological effects of affected household have an outcome on livelihood and assets which have been acquired over a long period of time.

The metropolis is also interspersed with ridges and hills which makes development very expensive for vulnerable households to establish their capability in developing lands around these regions. This is because the price of land in these areas are not affordable to the vulnerable and poor households. This makes most vulnerable households to opt for cheap and

affordable lands which are vulnerable to environmental effects. This has contributed to slum development in most areas in the metropolis such as New-Takoradi, Effikuma, Kwesimintsim and Kojokrom, consequently affecting the spatial development of the city. There is however a strategic endeavour by the citywide slum upgrading programme to assist vulnerable and poor households to upgrade their housing structure through the planning of affordable sanitary facilities.

The map below (figure 3) shows the geographical position of the study region and the shaded portions are communities where interviews were carried out.

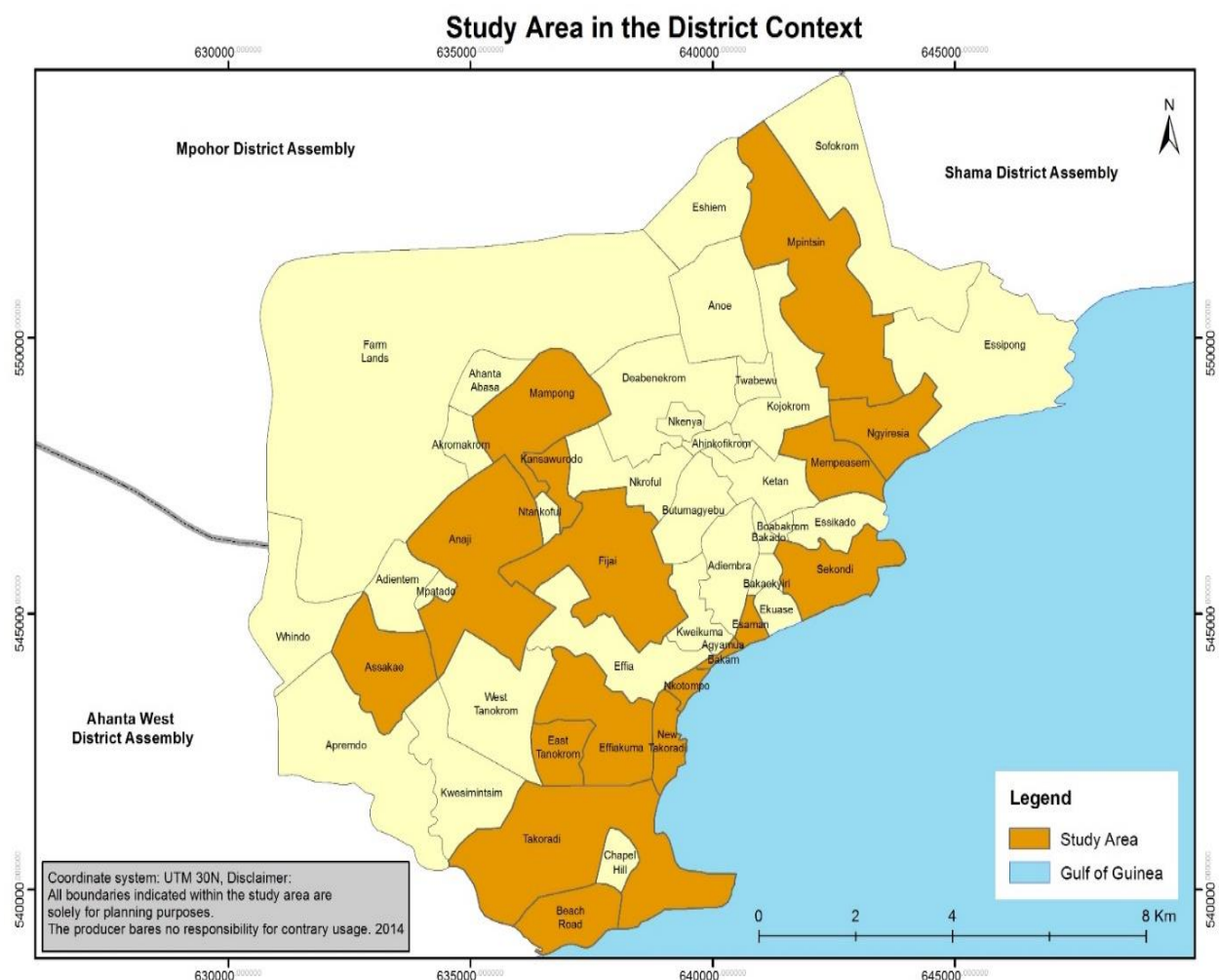


Figure 3. A map of study context.

Source: Physical planning 2014.

Historical background

Sekondi-Takoradi is the localized term of the original Prussian name ‘Seconds-Taccarary’ (Obeng-Odoom 2012). The city is known to be a twin city in West Africa, it is however currently branded as the emerging oil city since the discovery of commercial quantity of oil in the region in 2007.

In the past, the two towns were rural in nature and a predominant livelihood was fishing. Nevertheless, this changed when contact was made with the Prussians’ traders by the locals. Furthermore, the capture of the towns in that location by the Dutch, was a strategic policy direction to insure the growth of Sekondi-Takoradi. It has been noted that the city attracted many investors and firms as a consequence of direct policies such as 25% tax decrease, this in turn contributed to the establishment of timber-processing industries in the 1970 (Obeng-Odoom 2012).

In addition, the city became an industrial and commercial enclave due to the development of railways, ports and harbours. The implication of the harbour and rail facilities had effects on the growth of the city, hence attracted migrants from different regions of Ghana and outside the country. Most of these migrants later became permanent residents, which contributed to a formation of varied cultural identities (STMA 2014). This is because some migrated with and without their families and those who did not come with their families formed new households in the metropolis. Apart from work in and around the harbour and railway, some form of informal and formal markets were generated in the city where workers were able to earn extra income through different economic activities (Obeng-Odoom 2012). This growth contributed to the diversification of livelihoods from primarily fishing for commercial purposes and working as manual workers in some of the timber, quarrying and railway industries. Some workers at the port and harbours who were previously fishermen became crewmen on ships. These crewmen also took a chance to travel outside the city to foreign countries to earn a livelihood. This may be a contributing factor as to why the city residents are more prone to travel abroad to earn a living than make a meaningful livelihood in the metropolis.

Demographic

The population of Sekondi-Takoradi in the 1970 was 103,834, it grew to 249,371 in 1984 and by 2000 it increased to 369,166 (STMA 2014). The current population according to the 2010 national population and housing census is 559,548 (GSS 2014). The increase in the population has been ascribed to internal migration of households from different regions of the land to the metropolis in search for jobs as a consequence of the oil discovery in the area. The gender structure of the populace is more of a female which represents 51.9%, slightly higher than the

male (48.1%). Although, the female population exceeds that of the male, most of the political decision-making processes and programmes in the city are geared towards the male since most of the males are in top positions, leading to vulnerability of some women who play inadequate role in the decision-making process in the city (STMA 2014).

Moreover, children and the elderly are more vulnerable as they depend on the working class for survival since the country has limited resources to transfer as a safety net to support the poor and vulnerable in the city. The dependency proportion of the populace are children below the age of 14 which comprise 44.8% and the elderly above the historic period of 65 which is made up of 3.3%. The city is densely populated as the number of persons per square kilometre stands at 2,904. This indicates that for every one kilometre square about 2,904 people live within that geographical space. This type of closeness in proximity enhances community relations as a mass of households who get to interact with each other can easily socialize and build trust which improves their capability to social resource to mitigate vulnerability when exposed to risks in the future (Moser 1998).

Household structures, which refers to the nature of relationships among members of the households whether related or unrelated in Sekondi-Takoradi is as follows: out of the 532,516 households 30.0% represents the nuclear family, 27.9% are single parent with an extended and non-relative; 17.0% extended with head, spouse and children; 12.1% are made up of single parents nuclear; Head only form 5.8% with 2.2% being head and spouse only (GSS 2014). The social organization of the household shows how the population of the city is skewed towards the nuclear arrangement. A large bit of single parent who live with extended and non-relations indicates the importance of network relationships that exist between divorcees, separated and the widowed to other informal networks. Furthermore, it designates the complexity of the family structure in the Sekondi-Takoradi area.

Economic

As said previously the economy of the city is made up of commerce and industry-related activities. The metropolis offers economies of scale, localisation and cluster of industrial activities through the provision of efficient infrastructural and service delivery (STMA 2009). Likewise as a result of expansion in communication, power, transportation, water and sanitation, the social interactions of people function as a pull factor to attract migrants into the city leading to higher population density. The high population density also offers large market for business activities and expansion to improve upon the wellbeing of people in the city. This

contributes to the attraction of skilled workforces, which allows the transfer of knowledge and skills in specialized sectors of the economy.

This is statistically visible to the employable occupation of most people in the city. The occupation of the public which is the type of work people are engaged in an establishment indicates 32.7% of workers are in service and sales, 22.2% in craft and trades, elementary occupies 10.2%, professionals, technicians, plants and machine operators 24.9%, skilled agricultural and fishery 5.2% and other occupations 1.4% (GSS 2014). The higher ratio of people in service and sales accounts for the commercial activities in the metropolis which is made of retail and wholesale activities which comprises the informal sector.

Although economic activities enhances livelihood and better the standard of living in the city, through the multiplicity of effects of similar industries in the area, any adverse risks affects the bulk of the citizenry. In the case of Sekondi-Takoradi, the decline in the railway and wood-processing industries led to the retrenchment of workers whilst for instance, many workers in the railway industry were not paid wages for a number of months (STMA 2014). The wood-processing industry was affected through climate change events and the operation of chain-saws, decreasing the supply of raw materials to those industries. These factors, coupled with inflation and global market fluctuations had an adverse effect on livelihood and made more households vulnerable to fall into poverty.

Social-cultural

The nature of social structures in Sekondi-Takoradi was not different from that of the nation; it was basically extended. Norms and values determine the behaviour of how people connect to one another in fellowship. Traditionally, among the Ahantas who are the indigenous of Sekondi-Takoradi, a matrilineal form of inheritance (STMA 2014) was established where an uncle in the household is responsible for basic needs of his sisters, nieces and nephews. It is conceived that when that uncle dies the family inheritance goes to the nieces and nephews (Goldstein and Udry 2004). This made husbands more reluctant to care for their own children for their children will be taken care of by their maternal uncles. This made the male child very essential to any family than the female. Traditionally, when a woman gives birth, the question, *did you give birth to a human or what?* Is asked by neighbours. Human here refers to a male child whilst “*what*” refers to a female. Thus, an option of educating male children became essential if the family did not possess required resources. Majority of the females became vulnerable as a consequence of low education and thus lacked a potential to explore which affects the capability of a lot of females to become less productive in a community. These

culturally accepted norms and values shaped the worldview of a woman's livelihood even in her husband's home.

On the contrary, modernization and globalization through access to the internet and exposure to different cultures, social interactions and advocacy programmes through NGOs worldwide, has changed this perception and more females have been raised to acquire higher education and have acquired their personal capacity to engage in productive livelihoods and asset accumulation to prevent the fall and becoming poor.

The timeline of events and social safety nets programmes

In the early 1980, there was the first appearance of structural adjustment programmes (SAPs) in Ghana where the role of a market was viewed as growth and economic evolution in development. This increased the vulnerability of a large number of households as some state owned enterprises were diversified to private owner and workers were moved through such policies. In essence, to mitigate such vulnerability in that respect was the implementation of social safety nets such as the Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD) in 1988. The purpose of the programme was employment generation, redistribution of resources, community initiative projects and provision of basic needs for the poor and vulnerable affected by the SAPs (Subbarao et al. 1997). The vulnerable category that the programme targeted are people living with disability, children and women (MacLean 2002).

The first election of the 4th republic was held in 1992 after which came the 1996 election. During this era, the traditional form of safety nets were still upheld although there have been some form of decline. In the year 2000 another election was held during which there was the change of political power from the National Democratic Congress (NDC) to the New Patriotic Party (NPP). Before the transition of power the then government introduced the poverty alleviation fund in 1998-1999 which was aimed at assisting the poor and vulnerable households to prevent and move households from poverty; however, this programme was not fully implemented in the urban areas since the focus was on extremely impoverished households in the rural areas.

In 2001, Ghana was declared a highly indebted poor country (HIPC). Funds from this programme were used to construct water and sanitation, health and education projects with many cities benefitting from such projects across the country. Thereafter, the national health insurance scheme, capitation grant and school feeding from the period 2004 to present, were introduced to help boost health and education to promote and build the capacity of the human

resource in the country. The programme has been expanded since 2009 to cover the provision of school uniforms and other stationeries (Abebrese 2011). Although, most of the programmes stated are part of social protection, there is inadequate safety nets to support the poor and vulnerable when expose to risk. Nevertheless, for these programmes to be beneficial, accessibility to efficient and quality infrastructural and health care delivery is important to urban households.

Some other safety net programmes implemented is the livelihood empowerment against poverty programme (LEAP) with the target of providing cash transfer to selected homes. An amount of \$8 and 15 per month is based on the number of qualified people in the family. The initial target group of the transfer are Orphans and Vulnerable Children (OVCs), People living with impairment and elderly individuals 65 years and over. Still, the cash transfer is based on conditionality such as avoiding child labour, enrolment of children in school, birth registration of children and registration of household members on NHIS (Gbedemah et al. 2010). Although the LEAP initiative promotes the capacity of poor and vulnerable household to mitigate risk and prevent transient and chronic poverty, the curriculum is directly centred on the poorest region and rural households leading to the loss of the urban poor and vulnerable household contributing to new forms of poverty in urban arenas.

Though initial safety nets were rural as previously discussed, there were strategic efforts to design urban programmes as research discovers the new poverty being those in the urban areas. Such programmes initiated in the city were Urban Environmental and Sanitation Project (UESP) and Urban Poverty Reduction Project (UPRP). The focal point of the project is on environmental and sanitation problems, identify in the urban areas. The World Bank through the government of Ghana implements the program. This approach enhances the capability of the metropolitan authority to implement infrastructural plans to mitigate environmental vulnerability in the metropolis as sanitation issues and flooding affects households to loss accumulated resources due to the fact that they live along drainage basins. Drain systems were developed in addition to landfill sites where wastes from the city were deposited. This prevented the initial dumping of faecal waste into the sea which may increase environmental vulnerability to a more efficient waste management system where compost is derived to further agricultural development as it acts as a livelihood for some urban poor in the nation.

Some other social safety nets were implemented specifically in the metropolis, which have effects on the lifespans of the urban poor and vulnerable households is the UPRP. This programme had four components; the first is capacity building of the metropolitan authority,

community leaders, NGOs and some selected vulnerable group (STMA 2014). This aspect raises the capacity of the most vulnerable to voice out their dissatisfaction in how programmes and tasks are carried out in the area. A participatory approach to development was initiated through a series of seminars and workshops.

The second factor is financial support to small and medium scale enterprise in the region. This provided interest free financial support to enterprises to expand their business and show a capability to utilise more of the youth to improve upon the standard of living. Although the initiative was significant the effects were insecure as most enterprises could not access the loan based on the criteria set. However, most enterprises participated in the innovation and technology workshop capacity were enhanced in the current business dynamic trend and investment.

The socioeconomic investment project was the third component of this programme. Social and economic facilities were produced within the communities to boost local economy development. As part of this programme, the unskilled labour for the construction of the various tasks were brought forward within the residential regions. This livelihood approach enhances the provision of some unskilled labours to acquire knowledge and skills in woodworking and masonry. The locals benefited from the project, particularly the women since they were seen as the most vulnerable in the residential areas.

The fourth component is the social inclusion transfer, which targeted the vulnerable in the society such as people living with HIV, pregnant women, lactating mothers and school children from vulnerable families. The targeting in this programme were geographical, mean-testing and community access. Firstly, the communities that were keyed out as poor were targeted and people use, although many apply only a few qualified for as per the programme the criteria set was to wipe out those places which have capable and working household members of the list. Thereafter community validation were made before beneficiaries were qualified to access fund from the metropolitan office. The transfers were in the form of cash with payments being made monthly and in-kind through the transport of materials such as educational supplements. For school children, parents, mostly mothers took the money and verifications were made through school attendance to ensure that children continued in school before transfers were made to the family. At the end of the academic term, the child's performance is measured. Furthermore, pregnant and nursing mothers who qualified to access the transport fund were to secure the regular attendance of ante and post-natal care services. The transport fund is a conveyance fee to the vulnerable women to access healthcare to improve

the vaccination of all children and to also enhance the reduction of infant and maternal mortality in the city.

It is worth mentioning that, although such social safety nets programmes were important, the coverage was really low and the timeframe for the implementation was fixed. This is as a consequence of the inability of metropolitan authorities to finance the counterpart funding as the mainstream programme ended in 2012. The limited timeframe made it challenging to evaluate any substantial impact on how SIT prevents and alleviate poverty. However, qualitative interviews conducted through the metropolitan authorities in 2012 states that some beneficiaries maintained that they benefitted from the programme; although funds were received, they were too small for other productive investment such as petty trading. Others also acquired asset such as a mobile phone (STMA 2012).

Safety nets, be it formal or informal, enhances the capacity of families and most houses to have different mechanisms to utilize resource transfer to them in order to boost their livelihoods and to acquire assets. This approach enhances their capacity to mitigate and manage vulnerability when expose to hazards. The diagram below depicts the trend of events and the social safety nets programmes that are initiated and implemented in Sekondi-Takoradi.

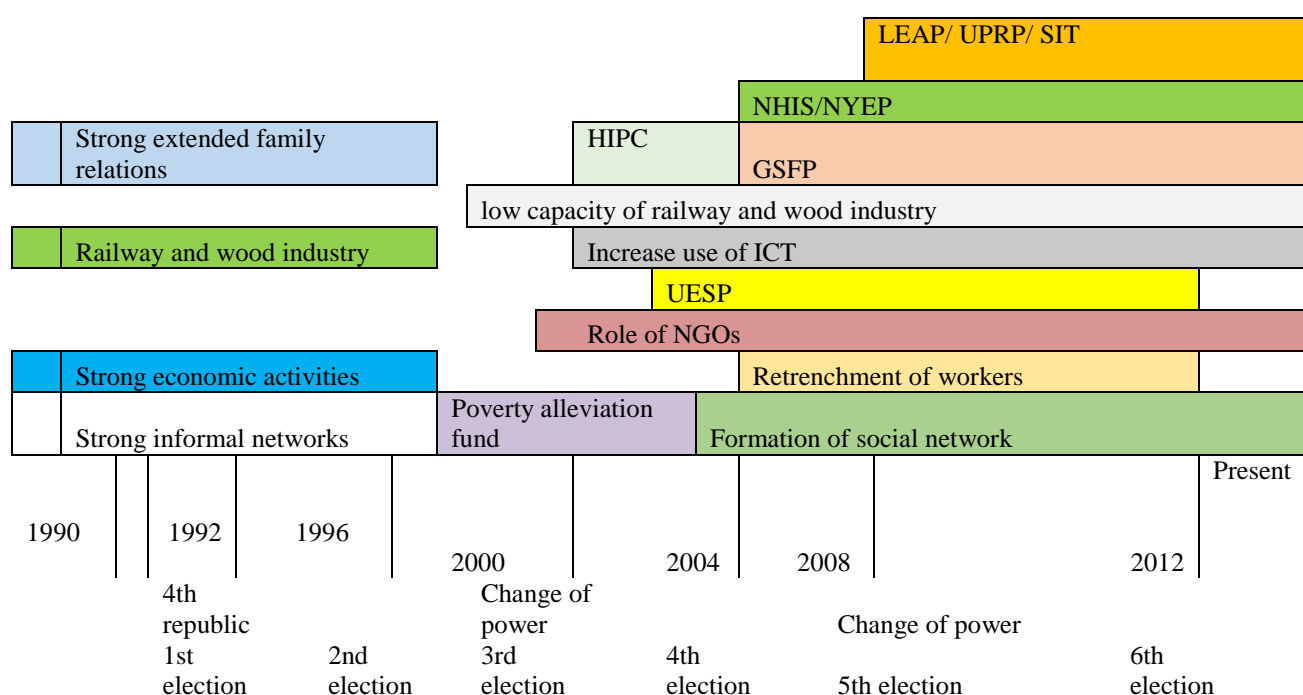


Figure 4. Presentation of social safety nets timeline.

Source: Author's own construct.

Problems in the formal safety nets

As per the above discussion on formal safety nets and their implementation, a particular gap identified is the limited support to the informal sector. Although there is the provision of the National Youth Employment Programme (NYEP) where the capacity of the youth is built to generate a form of livelihood, there are still inadequacies in supporting the informal sector which a lot of poor and vulnerable households depend on for their livelihood. Poor households become poorer when they are exposed to risk because the available safety nets is inadequate to address sustainable livelihood which are of concerns to the urban poor. A formal safety nets must be able to create the enabling environment to boost informal sector activities. This may lead to local economic development through income generating activities and expansion of small industries into medium-scale industries which can provide employment to reduce unemployment in the city.

Moreover, most of the formal safety nets in the city is of limited coverage; this leads to low impact on the livelihood and resource accumulation of individual households to serve as a buffer to mitigate vulnerability when expose to risks such as the death of a breadwinner, retrenchment and flooding. Coverage is of importance as the more households gain access to transfer of resources the more innovative they become and when resources are easily available it promotes local markets which can sustain households' level of consumption. It is also important to point out that when transfers are made to households it also promotes an incentive for informal safety nets. Research shows that informal transfers, mainly occur between households of similar status (Devereux 2002), hence when a poor and vulnerable household receive a form of transfer and the neighbour is in need the recipient of the transfer will support the current vulnerable household to prevent the household from becoming poorer.

A lot of the criteria set for these programmes are to bridge the gap between the rural and urban. This is because in developing countries like Ghana the extreme poor are those mostly inhabiting the rural areas whilst vulnerability refers to those who are incapable of live meaningful lives. Although it is worth it, there is the need for a holistic approach towards targeting to eliminate nepotism and poor targeting of households who usually may not necessarily be poor, however for the fact that they are in the rural part, qualifies for transfer.

Another problem is the value of cash transfer made to the urban poor. In Ghana the value of cash transfer made to the rural poor is of the same value as the urban poor. This creates a lot of problem for the urban poor as the cost of living in urban areas are higher than the rural. As a result, the cash transferred to support the poor in urban areas may not cushion them hence their susceptibility to become poorer though they might be receiving some form of safety nets.

Traditional form of safety networks

Broadly speaking, family in the context of Ghana and Sekondi-Takoradi it represents the expanded family (MacLean 2002). *There is an adage that states that kinship is like a forest which is made up of different species of trees but when viewed from afar, it presents a holist vegetation.* Traditionally, the extended families were responsible for the welfare of every member of the household. They are biological linked from great grandparents to children, and it is very normal for miserable and vulnerable members to transport minors to a non-poor member to be taken care of in the city.

In addition, the working class in the family also discuss how orphans, widows, poor, unemployed, disabled and elderly will gain access to transfer of resources to support their daily needs. This kind of system promoted the eating together of all family members on a round table which provided sustenance for both the poor and non-poor. This activity also bind them together as one; for instance, when some job openings are available, they inform their family members to apply and also assist family members to gain employment (Granovetter 1995). The skilled adults also trained the youth in craftsmanship and other employable ventures through information sharing and technological transfer to equip the youth (Conley and Udry 2003).

Moreover, households depended on informal safety nets such as remittances from extended families and non-relatives overseas and other bigger urban areas to support in starting a new commercial enterprise, education, health and caring for the aged. The family cares for the younger generation who in turn care for the aged when they become adults (Dei 2001). This was the traditional strain of societal security and insurance to assist the old. These natural processes may cause the propensity to support the poor and vulnerable to mitigate and manage risks as there were available assistance from family members and other community members.

Informal social network groups

In contrast to the traditional pattern of safety networks that existed in the city, there is the new form of informal safety network termed as a social network. This case of networks originated in the period where there were limited formal safety nets and the traditional safety nets put out to address vulnerability was gradually wearing away due to economic constraints with the retrenchment of railways and wood processing workers, creating a disruption between the formal and informal safety nets in Sekondi-Takoradi around the early 2000. This gap was created to promote a renewed course of informal safety nets through the establishment of social network groups to pool resources together and enhance the capability to support each other in time of shock.

The social network groups developed upon the traditional system of savings where people make daily contributions and by the end of the week the amount collected is given to one person and it traces around until every member has picked up their proportion (Arnall et al. 2004). This strategy supports household to gain assets and those about to start a new business as resources are pooled together by individuals. Besides, risk is mutually shared among members of the networks which helps to mitigate risk by the poor and vulnerable (Goldstein et al. 2002).

This approach was followed by ethnic origins as migrants who were geographical bonded together also started to form networks in their destination areas. This part of the net was to assist new migrants from the rural and other regions of the rural area who have come to look for economic opportunities in the city. Furthermore, as they make contributions to pool resources together, they supported development projects in their communities of origin. The informal social network groups became widespread in the city between 2003 and 2006.

Religious network

Religion plays a critical role in the life and experiences of people in the Sekondi-Takoradi area. According to the 2010 census report, 94% of the populace have religious affiliations (GSS 2014), this shows how belief forms part of the world view of the city dwellers. Most religious organisations believe in the sharing of resources to help the poor and vulnerable in the society especially those connected with their faith.

Islam

The third pillar of Islam the zakat instils in individuals their obligation to alms-giving to the poor and needy, which enhances community identity and responsibility (Dhar 2013). It is believed that Allah is the creator and all wealth belongs to him and has only created man a steward to care for the affluent. In view of this, when you have wealth you must share to encourage serenity and concordance in the residential area in which you dwell. This enhances households who have the resources to support the poor and vulnerable households. As a pattern of safety net the poor and vulnerable in communities are assured of financial backing from the wealthy households, such as the transfer of food, clothing and money to promote wellbeing and help the pitiful and vulnerable to mitigate hazards.

Churches

The church has been criticized for the corroding of the extended kin in the world as churches initialized a monogamous married couple which concerned itself to the needs of immediate families instead of the extended (Greif 2006). Nevertheless, it is recognised that the church also facilitated the development of informal safety nets as welfare programmes were initiated to address the demands of the poor and vulnerable in society. In Sekondi-Takoradi, a lot of the churches have welfare fund in which contributions are made to assist members when they are in need, especially during funerals, marriage and child-naming ceremonies. Also, in the event of accidents, sickness and old age one is assisted to benefit from the welfare system. Nonetheless, some members of the church also participate in what is normally called *societies* which enhance information flow, emotional, spiritual and financial support from the societies in addition to the money a church transfer to the household.

In view of the benefit one may receive a lot of people in the church joins one or more societies in the church so they can benefit from both networks when exposed of risks. However, to qualify for such fund one has to actively participate in the programmes of the network group. This involves attending meetings, paying of dues and attending to other members when they are exposed to risks. The rule governing the societies is the golden principle “*Do unto others as you want others to do unto you*”. This shows that you are only supported when you tolerate others; if you do not support others you will never be supported when expose to hazards.

The above networks demonstrate the nature of informal safety networks in Sekondi-Takoradi metropolis; however, there has not been any inquiry as to the ability of these networks to prevent and move household from falling and being in poverty.

Chapter summary

In talking about the context of Sekondi-Takoradi and safety nets I have pointed out the historical background of the metropolis, the geographical location and the socioeconomic characteristics of the study area. In addition, the presentation of timeline events of social safety nets in the city and the challenges associated with those formal safety nets to address risk and vulnerability of those poor and vulnerable to prevent the fall into poverty or becoming poorer was also addressed. Further discussion on the informal safety nets such as the social network groups, credit rotating group, extended family and religious networks and their role in providing safety nets for the poor and vulnerable in the communities also depicts the nature and complexity of informal safety nets’ ability to keep households from becoming poorer.

CHAPTER FOUR

METHODOLOGY

Introduction

This chapter details my choice of conducting the research. I set out with the intent of conducting my research using a qualitative approach the philosophy underlining my choice of method. The data collection processes have been examined. It began with planning before, during and after the fieldwork

This chapter further discusses the relevancy of ethical matters, research limitation and how these issues were resolved to get on with the inquiry. In the end, the research credibility, validity and transferability will be determined. To resolve the vital research questions as stated in the introduction, it is essential to carry on a fieldwork among the people of Sekondi-Takoradi. The fieldwork was undertaken in a period of seven weeks from June to July

Justification of approach

The choice of using qualitative or quantitative approach to research should be based on the research question (Marshall 1996). The two reasons that influenced the choice of using the qualitative approach is based on the research questions and my level of experiences with the qualitative method. First, the reason for choosing the qualitative approach is the fact that the research questions can be best studied using the qualitative technique as it helps unravel the emotions of without any control variables (Yin 2003). Moreover, on the contrary, the addition of numbers to measure a mean value may not seem to fit the demands of research with regard to the beliefs, attitudes and experiences of how people fall into and become poorer and why the informal safety nets may not help to prevent them from a fall and remaining in poverty.

The second reason is because I have gained practical experience and knowledge through training in the utilization of qualitative techniques. I have less basic knowledge in quantitative techniques; thus, I consider it inadequate to conduct a quality study because it would require further training. In addition, quantitative techniques are higher in number of respondent and considering the limited time period for a master's thesis it will not be viable to fill out a detailed study.

According to Anderson (1987), *“qualitative research emphasizes inductive and interpretative methods applied to everyday world which is understood as subjective and socially created”* (page 384). Bradshaw and Stratford (2010), however, argues that the calibre of research has more to do with the selection of good research tools for the specific research question rather than methods confined to specific customs. This means that taking a quality

research which has the objective of exploration needs to be incurred through the purpose of qualitative tools to raise the apprehension of falling into poverty.

Moreover, choosing a qualitative approach helps the researchers to reflect on how their presence in the field and this position may affect the result of the study (Rossman and Rallis 2010). This is important because it helps the readers to gather insight into the research procedures and the potential challenges and prejudices with the outcome of the inquiry. The objective to reach an *empathic neutrality* has been investigated in conducting quality research (Dowling 2010). This brings the argument that researcher's interactions with the object of study can have an influence on the findings. Although, striving to achieve empathic neutrality in qualitative research is challenging, it is not inconceivable. I endeavours to critically reflect on the beliefs and attitudes to ensure that these do not influence the research findings. I will make sure that personal opinions and values do not influence or affect interactions and information received from the informants.

Furthermore, I will cover all possible avenues of bias in conjunction with technical details covered throughout the research processes: from the choice of research topic, preparation phase, choice of sources, gaining entry access, interviews and ethical considerations, confidentiality, transferability and trustworthiness of the inquiry. It is worth noting that the research process was not smooth and direct. It involves going back and forth and making alterations where necessary depending on the realities on the ground. How I overcome such difficulties are explicitly expressed in my inquiry.

The process of the research

Choice of topic

The initial phases of the research, preparation was not easy as I experienced mixed opinions about the topic research. On one hand was the issue of undertaking a research which is academic in nature and on the other hand was undertaking a policy implication research. Nevertheless, I determined to explore other avenues by selecting a topic which is important to academic knowledge and policy execution.

I read extensively on poverty and safety networks in developing nations. Based on the available literatures, it was realized that there were research limitations as to the ability of the formal and informal safety nets to prevent people from falling into poverty. In the final stage, a topic was selected on poverty, formal and informal safety nets. The only response to the research question is to explore how people pulled through such experiences and whether there have been some changes in their state over a twenty year period.

Although, the master's thesis was on a small-scale, it would help contribute knowledge for further inquiry in the future. Moreover, finding out more about the formal and informal safety nets could result in vital lessons for multi-donor, non-governmental agencies and governments in planning and executing specific formal safety nets interventions or social protection in general.

Choosing the study site

Choosing a study area is as critical as the process of selecting a topic. I resolved to tackle my research in an urban area due to the rapid urbanization of some cities in Ghana. From literatures, the process of urbanisation has led to the breakdown of social-cultural surroundings. Out of the five cities in Ghana, Sekondi-Takoradi, the third largest city found in the western region of Ghana, was selected for the research because it is the likely city to experience the consequences of urbanization as a result of the oil discovery. When I arrived, my first contacted the office of the Metropolitan Assembly to formally introduce myself and the objective of my research. I was warmly welcomed to have access to some official documents such as reports, poverty map and spatial development plan for the metropolitan area. In addition, I had access to an office at the development planning to carry out the fieldwork preparation. I did a lot of desk work on where, whom, why and how to select the communities and individuals to partake in the research.

In order to achieve *spatial variance*, I had to select from the highest to lowest poverty communities. The purpose of using this approach was because each geographical area had unique characteristics of socio-cultural meanings attached to the cases. This was to help explore where and what informs the actions in informants. I finally had to select twelve communities from the four sub-metropolitan zones. Four of the communities are newly developing communities, six are fishing towns and two farming communities. The reason behind this approach is to have diverse opinions and how each informant within a local context relates to issues of poverty and safety nets in more communities than within areas.

Sekondi and Takoradi were chosen for the group discussions for the purpose of accepting different opinions and reactions to the themes as and when they emerged because these communities have different characteristics of individuals and are the main avenues for social network group meetings.

Gaining access

Seeking access to any organization, community or individual is very essential in qualitative research. Gaining access is through negotiations and at times can be really boring if there is no prior contact with an insider who can win the confidence of a prospective informants to partake in the research. Those who assist the researcher to gain entry are termed as ‘gatekeepers’ since they have the keys to exploring the data which is implanted in either individuals or an organization (Flowerdew and Martin 2005, page 116).

For my research, I studied a number of issues before selecting my gatekeeper. Using my previous experience with assembly members within the district, I asked their contacts from the metropolitan assembly and I contacted the assembly members to talk about the criteria for selecting informants. Assembly members serve as great gatekeepers because they represent the people at the community level and they tend to know the household situations since they always come into contact with community members. I told them the purpose of the research was basically academic in nature and there is no remuneration for partaking in the research and no one was to be chosen only based on relations with the Assembly member. The gatekeepers helped me get access to the communities.

Challenges with gatekeepers

One major challenge was miscommunication on the time of the meeting. I had to contact more gatekeepers because I wanted to use different communities which require different gatekeepers. I faced little challenge with the gatekeepers because I only wanted them get the informants especially for the group discussions and I constantly verified whether the selection was based on the criteria and not on personal relationships. I realized an informant was not in good term sound conditions with one of the gate keepers. Even then, I was able to gain access because of the information and insight the person has to contribute to my research. This process indicates to me that when gatekeepers understand the design of the inquiry and the criteria is set out, from the beginning, they tend to collaborate.

Selection of informants

According to Hesselberg (2014), the word ‘sampling’ should be brought up to quantitative study, whilst selection would be preferable to qualitative inquiry. The choice of informants refers to the procedure of determining who to talk to, where, when the informant is available, what research question is applicable to the informant and how to come into contact with the informants to partake in the research (Flowerdew and Martin 2005). To effectively conduct

qualitative studies, the choice of informants must involve ‘targeting’ people who possess the required experience and are willing to collaborate with the researcher (Cloke et al. 2004, page 156).

The method I used to select the people to be interviewed was a form of purposive selection also known as judgement sampling (Marshall and Rossman 1999). This method involves selecting informants based on specific criteria set by the researcher. It is critical to state that the research objectives and characteristics of the study population also determine which and how many people to select for the research. In order to achieve a maximum variation in the data, I had to select and study a broad range of subjects. I did this by selecting people based on gender, educational status, occupation, female headed households, age and marital status.

I further took into consideration the temporal, spatial and situational stimuli. This is because studying people does not occur in an artificial isolation, rather it occurs in a natural context. This influenced me to conduct a feasibility survey on the people through observation. I did not acquaint myself. I merely wanted to study how the people lived their lives and see which households is more probable to experience, have knowledge and insight into the research issue. After that, I went to different households to verify the diversity of the household members based on the criteria. I must express that I later reviewed my criteria and added people living with disability and HIV and orphans.

In addition, I used snowball to have entree to other households which have different features than my initial household members. I must suppose that the diversity in informants was not being represented and generalized. It was, however, the means to source for other aspects of different category of sources. This was to help gain a period of saturation where I could not obtain any new information to understand the informal and formal safety nets in the language of the informants (Hesselberg 2014).

Furthermore, specific households and individuals with special experiences relating to my research which is recognised as a critical case selection (Baxter 2010) were selected. I used this procedure to select the government functionaries, local NGOs, social network group leaders and key informants in the Sekondi-Takoradi metropolis. I apply this criterion because some informants have richer information than others and they will be in the position to provide more insight and savvy for the research.

The sample size is irrelevant to my research as the primary purpose was to gather enough knowledge about how people fall into poverty, the historical view of the informal safety, changes and how people perceive the formal safety nets and the informal. In view of

this, the most essential issue was how adequate the answers provided by those interviewed address the research questions and not the sample size. Although I planned to select only twelve households by the end of the field work, I had selected twenty-two households, one local NGO, one religious group, social network group, three government officials and two discussion groups. The list of selected informants is attached in the appendix. To ensure anonymity and confidentiality, all the names have been fabricated.

Data collection

The selection of data collection methods and development of instruments should reflect the nature of the research. There are different instruments for collecting data in qualitative research. These are made up of interviews, observation and reviewing of documents (Marshall and Rossman 1999, Cloke et al. 2004, Creswell 2009). The data collection process can be classified into four categories namely interviews, observations, documents and audio visual materials (Creswell 2009). In spite of the merits of the above mentioned data collection instruments, the essential instrument for this research was interview and focus group discussions.

Interviewing

Since the research was exploratory in nature, there was the need to use a less structured form of instrument which helps improve research validity. To assure that the right questions were asked in the right way, I had to use this less structured instruments to elicit for information. There are three cases of qualitative interviews: structured, semi-structured and unstructured interviews (Dunn 2010). The choice of a particular interview type is dependent on the framework of the research. Interviewing is vital to qualitative research. It ensures that an informant is able to contemplate on lived experiences, feelings and attitudes. In addition, interview helps to unveil complex attitudes, emotions and motivations of people. This assists the researcher to explain the issues discovered from the view point of the source rather than the pursuit of the researcher.

The semi-structured interview was selected not because it was the best data collection instrument, to the contrary, it was an upshot of the flexible nature as the middle ground between the structured and unstructured. This approach was essential because it allows me to ask the questions I thought were relevant and also be able to cover up with other issues I never thought to ask during the drafting of the interview guide. I must state that if I had not used the semi-structured interview, I would not have had access to information about the spiritual facet of understanding the complexity of the informal safety nets. In seeking to probe further, I used

phrases like “Why do you believe so?” or “What in particular did you (not) like?” This helps the interviewees to really clarify some of their initial answers. Although surveys are vital to prevalence information and variation of certain variables within a population, it could not help achieve my objective of exploring the deep meanings and knowledge about how people perceive the topic of how people fall into poverty.

According to Hesselberg (2014), in conducting household research, it is important not to give them prior notice since it will give them time to formulate the information they want to unravel in the interview. With this in mind, most of the household’s interviews conducted did not give any prior information. This was because I did not want them to conceive and generate synthetic information. As and when a household met the criteria I went ahead to interview them. I made a list of the features of different households from my gatekeepers. All the same, the actual selection was done by me and not through the influence of any gatekeeper. I wanted to limit the involvement of the gatekeepers since some were sympathizers of certain political parties at the local level. I wanted to avoid being tagged with a political party.

The place and timing of the interviews were considered during my feasibility study in the communities. I realized more people were home around four to six pm. To receive the requisite number of household members and avoid missing out certain essential information, the time chosen was based upon certain household situations such as the availability of a household head and members especially people living with disability, orphans, women and children. Since the interview involves both the household heads and some household members, it was not easy getting some household members since they were usually not in the house at the set time of the interview. I tried to get hold of some household members whom I did not see during the household interviews to interview them individually. Those were people living with a disability or HIV. This was important because most households view this group of citizens as an encumbrance to the household and is critical to grant them a voice to tell their experiences in their own words.

Most of the interviews were organized in the evenings. This was the right time for me to meet most of the household members. For single household informants I interviewed them according to their time of preference. All the interviews were conducted in the house of the informants. This really helped me to observe the living conditions household members and how they interacted with each other especially with their neighbours since most of them were living in compound houses.

Focus group

In addition, I undertook focus group discussions by using interviews. This approach helps to elicit information from different individuals at the same time. I devised two different focus group discussions. The first was organized in Sekondi and the group was made up of six men and six women. The second was organized in Takoradi and the same criterion was used. I used the focus group discussion to explore the perceptual experience of safety nets by both the non-poor and poorer. To understand what poverty means to the people in the local context, I tried to use the focus group which also helped to interpret the local term for informal safety nets before undertaking the household interviews.

Nevertheless, the first focus group discussion proved to be challenging, when one participant wanted to assume command over the discussions. I subsequently found out that most of the adult females were not willing to talk. The strategy I used to call for individual views from every household over the issue discussed is unique, since what might be occurring in one household may be different from the other and there is no correct or incorrect answer simply the accuracy of a person's experiences. This process lightens up the discussion and the women became open to discuss issues using their experiences and how they perceived both the informal and formal safety nets. This approach helped the participants to be open and there was less tension as the participants agreed and disagreed on topics based on the different experiences and the timing of events.

I changed my strategy in the second group discussion. During this discussion, I began to take the women specifically to identify how they understand poverty and safety networks. This opened up the discourse between the men and the women on how they perceived poverty. I realized that during this discussion, the participants were raising most of the themes in the interview guide. To understand more, I listened very attentively to all the detailed issues discussed. I only intervened when I wanted more clarification of some of the answers. I also summarized each discussion to verify what had been said and probe further to understand the significances of their experiences. Where I did not understand a particular issue, the participants clarified the issues. This was to enhance my understanding of the subject. This group was really active and attracted more participants to the group discussion.

Although I did not plan to have a great group, I ended having eighteen participants instead of the initial twelve. However, it is worth stating that those who joined highlighted more on the history and major issues that happened in the Sekondi-Takoradi in the past twenty years. The participants ended up dragging issues and delaying the time shape for discussing critical issues. This heightened my understanding on what events happened and how people

reacted to those events in terms of safety networks. I used this major event as a milestone in my household interviews which proved very helpful as informants related to those events in one way or another.

The interview relation

The type of data obtained in qualitative research is dependent on the relationship between the researcher and the source. To obtain quality information, the informant must be comfortable with the researcher and be able to open up and talk about the meanings he or she attributes to his or her experience. This is managed through establishing good rapport with the interviewees through self-presentation (Flowerdew and Martin 2005).

I established rapport by introducing myself and the purpose of the research. The informants became relaxed only after I had introduced the topic which seemed very interesting to them because according to some of them, they have never reflected upon the informal safety nets although they have been thinking about the consequences. This interview helped the participants resolve issues that were bothering them. The rapport was easily made because of my insider approach. Some households had seen me around so were not so much concerned as to what I was doing in the communities. On some few occasions, some people got to inquire whether I was interviewing people so they can access loan. I told them the purpose of my research was purely academic.

Appearance was very critical as it can influence the type of information the researcher can elicit from the participants. During the household interviews, I dressed very casually because I did not want the informants to get any misconceptions about me since the type of dressing tells a great deal about your personality in Sekondi-Takoradi. The casual nature of my dressing made it comfortable for me to get across through some deprived households. During some of the interviews, I had to sit on the floor since there was no chair in the house. I do not think I will have had access to such households if I had dressed in a suit. Nevertheless, during consultations with government officials and NGOs I dressed formally to help balance the relationship since your appearance will determine whether they will grant you easy access for an interview with them or not.

In all the interviews, the informants allowed me to audio record the interview and this really helped me to listen well and establish eye contact as the interview continued. One major challenge I experienced was with the shortcoming of my eye when some kept asking whether I was listening to them since one of my eyes was directed in the polar way. I told them I was really listening and as I probed further, the informants were relaxed and disclosed their

emotions concerning the topic. Subsequently, I realised that this might have affected my initial data depending on the opinions of the informants. In one particular household, the head started to scream as she identified some of the events that passed when her husband the breadwinner was ill and eventually perished as a result of deprivation of assistance from friends and kin. The whole household members started to weep. This was really emotional. I had to pause the interview for more than ten minutes. I did not know what to do at this point whether to break the interview and return the next day or whether she was willing to continue with the interview. To my surprise this woman and her family were ready to continue the interview. When I inquired for her reason she stated:

“At least I can directly share my pain and tactile sensations of how it is like to become poor when friends and families could have assisted to sustain me from poverty” (Informant HH1 2014)

In addition, during my initial interviews my phone was on vibration this was to avoid disruption during interviews. However, I realized most of informants' attention came to the phone when it vibrated. They will advise me to pick the call. I tried to avoid that in subsequent interviews by switching off the phone to enhance better interaction with the s during interviews. I realized this actually was important to any successful research as the type of phone can even bear an influence on the information given.

Furthermore, in some of the households, children were not allowed to interfere or participate in adult discussions. This was because according to their culture, a child is not supposed to talk when adults are speaking. All the same, some households allowed their children to talk and this really helped since they could remember certain critical incidents which the adults may have forgotten or may have not desired to talk about. When I realized children and the less privilege in the families have critical information I interviewed them on an individual basis to complement the household interviews.

In closing the interviews, I informed informants that I may see them one more time if the need arises for any further elucidation. Nearly all the informants assured me of their willingness to grant me audience if I should come back. I applied this approach to strengthen the rapport established so that in case I returned; there will still be a relationship. I also summarized all the interviews to be sure of what the informants said to avoid any form of misconception of meanings assigned to the given information. I used this approach because of the challenge I had during the initial interviews where I had to reformulate some of the questions. When attempting to translate the research questions into the local language, there is

the need for the researcher to not only understand the language, but also have the ability to communicate effectively to the understanding of the informants. Some of the informants kept asking me to repeat the questions since they did not understand what I asked. It was clear to them when the interpreter asked the questions. They were able to provide data based on the questions asked. Later, I had to learn from some of the key participants how to ask some of the questions in the local language before continuing with the other interviews.

One lesson I learnt was not to assume that you know what the informant was trying to say by adding phrases or by trying to complete their thoughts for them. I have to patiently wait for the informants to finish talking before I probed further to understand what they meant by asking them the meaning of what was said earlier.

Recording the interviews

There are different ways to record interviews. Interviews may be recorded using audio, video or note-taking. All these instruments have merits and demerits. Although video recording is best since it helps the researcher to vividly see and understand what was happening after the interviews, most informants are not comfortable with a video recording. This may influence the information collected since they will be cautious about the information they release to the researcher. To use note-taking there is the need for fast writing and shorthand to fully record the interview. I decided to use audio recording and note-taking.

The use of an audio recorder was essential to the research because it allowed the researcher to establish rapport quickly and focus on what is being said than note-taking. I decided to record all the interviews I will conduct. To achieve this aim, I knew most people were not likely to allow me to record. I decided to find a strategy that will enable me achieve the objective of the research and also keep the contribution and information of the participants confidential. All the informants allowed me to record all the interviews except in situations where in the process of interacting, they become emotional. They only asked me to resume when they have finished expressing their emotions such as crying. Some also asked me to pause when some relatives and friends came to ask them for assistance. During interruptions, I usually jot down some notes about the informant's non-verbal acts: facial expressions, and the informant's interactions with other people in the household. In addition, I use diagrams to denote some of the interactions as I observed during the interviews. This enhances my understanding on the attitudes and values of the informants' perception of safety nets in the community. I must point out that although audio recording was a better tool in recording the interviews, I had a tedious, time transcribing all these interviews which are time consuming.

Question ordering

The importance of how questions are ordered in a research cannot be misjudged. Before I went to interview, I had to build a rapport with them. I told them they were the custodians of such experiences and information and I was there to learn and understand their perceptions and the lived experiences. Recognizing the correct language to use during interviews may help to quickly establish a rapport with interviewees. I did not promise them any remuneration to force them to grant an interview. However, I will say I used the appropriate words persuade them by respecting their views and experiences.

Firstly, were asked common questions such as name, age, educational level, occupation, marital status and characteristics of dependents. I further asked them general questions around how people become poor in the community. This opened up for further discussions. In trying to answer the questions, participants narrated events by giving examples of friends, relatives and at times themselves. Later, they were asked specific questions to explain the meanings they attached to their experiences with the safety nets. Those informants who are in social safety net groups expressed their concerns and why they are in the social networks. As informants expressed their personal experiences, they were able to reflect upon their experiences and the decisions they took in certain situations. This reflected in some informants comments such as 'I never thought too deep into this event until today as am being interviewed'. This shows that when informants begin to tell others about their experiences, it gives them the opportunity to also reflect deeply into issues. It becomes a learning process both for the researcher and informants. Still, I attempted not to approve or disapprove any behaviour or attitude. This was to prevent informants from trying to provide information based on my gestures.

Data analysis

The analysis of the study is based on what is referred to as category-based analysis. This analysis is derived from the nature of the data collected on the field and conceptual interest. The focus of the analysis is on the experiences of the informants and builds on the foundation from inductive research.

I read through the interviews transcripts and audio recordings several times to get the overview of the data. I started the coding process by reading through each sentence. After that I reorganized the codes into themes and sub-categories based on the pattern of the data collected.

Ethical considerations

Ethical approval was granted by the supervisor prior to the beginning of the research. This was answered after a research proposal was submitted to the department. In conducting any type of research, there is a kind of dilemma which a researcher must at all-time be cognizant with the research influence on the informants and communities as a whole. According to Miller et al. (2012), to resolve this dilemma it is critical for researchers to think ethically. This means that research work revolves around ethical considerations. From the selection of a research subject, method and techniques to use, who to involve in the research, where, how to develop informant relationship to presentation of findings, ethics is fundamental to the quality of any research (Dunn 2010, Bryman 2012).

Ethics can therefore be conceived as the study of good doings and the grounds for making assessments about what is the right attitude in qualitative research. The primary ethical issues which are normally directed in research revolve around informed consent, confidentiality, privacy, deception and harm (Matthews and Ross 2014). In the subsequent discussion, I draw out how I addressed these ethical matters in the process during the research.

Informed consent

In research there is the concern of the right of informants to be fully informed about the research, their involvement and the nature of the research. Informed consent has more to do with the “*extent of involvement and information to the study rather than the simply yes you can interview*” (Dowling 2010, page 29). This procedure of informs the informants the purpose of the research and allows them to decide to or not consent. The adoption of this statement implies the researcher knows that informants are independent people who will share information willingly. The informed consent is received through written consent forms or verbal consent.

I attempted to balance the relationship with the informants to enhance disclosure, trust and consciousness of potential ethical issues. I introduced the intention of my studies by giving a brief antiquity for people to meditate along the subject of poverty and safety. After I asked them if they are willing to take part in the research which they consented to verbally, I also called for their consent to record the interviews. I informed them that I am not a really quick writer and for me to listen and interpret their experiences I must audio record what they say.

Informed consent was always negotiated as to the purpose, time period, procedures, benefits, risks and the right of the informants to redraw from the research if they are not willing to carry on. I informed them that there was no penalty for anyone for redrawing from the interviews and that the only benefits is sharing your experiences with other people to contribute

to knowledge. I also sought consent from parents and guardians when I desired to interview children between twelve and seventeen years. Those children whom their parents did not give me their consent I refused to interview them. Although their experiences might be unique and they might have added richness to the interview, I know the quality of the information has not been undermined since I was allowed to interview a section of the children in this category.

Confidentiality

It is the means of not disclosing identifiable information about in the research process without their consent. To achieve this research objective, it must be clearly stated and the informants must give their consent before interviews can commence. This principle includes offering respect and protection to informants through assurance of confidentiality of information shared and anonymity by not revealing the identity of the individuals and institutions involved. Although most of the informants were willing to use their real names, I informed them that I will prefer to use fabricated names.

However, at the group discussions level, confidentiality was to be established between the researcher and the participants as a whole on one hand and among the participants on the other hand. I informed the participants to be very confidential as the issues discussed are very sensitive and might relate to individual households. They assured me they will keep the information at the discussion group confidential. However, I must establish that I may not be in control as to what other participants may intend to do after the group discussion. In view of this, I asked participants to respect each other's views and must seek consent from other participants if they want to narrate someone's story to other persons.

Moreover, my confidentiality was tested in the field as a different household asked me to narrate what another household had said before I will be granted the interview. I informed the household that I cannot tell a person's story and I have to abide by every household's views and keep them confidential. I also stated I will opt not to interview them than to release their information to them. Later, the household in question granted the interview after they informed me that they desired to be guaranteed of the confidentiality. I realized that there were other ways the informants also tried to check the researcher's confidentiality level. I will have exposed the whole research if I had not acted cautiously and ethically.

Furthermore, I informed the informants that I will delete the audio recordings after I have defended and published my research findings.

Privacy and harm of informants

At the core of all qualitative research is the fundamental regard for persons which implies *do no harm* with consideration of who benefits from the study (Marshall and Rossman 2010). This relates to doing what is right and making sure that no harm comes to the informants and community related to the research. To prevent any harm, there is the need for one to apply the appropriate ethical principles.

Qualitative research has been seen as invasion of privacy of the subject of the research such as the informants and organizations (Dowling 2010). However, unless privacy is invaded, the researcher cannot understand the experiences of the subject of research. Invasion of privacy is what people do not like, however, when the objective of the research are clearly stated although the researcher may be invading privacy, there is the willingness of the subject to allow invasion. It should be noted that invading privacy does not mean harm. I must emphasise that although I invaded my informants' privacy by seeking their consent for interviews in their homes, I did not cause any harm to them through the interviews. I constantly had to weigh the objective of the research and the potential harm it may have on the informant.

Although I was very interested in the research, I did not allow my personality to cause any harm to any of the informants. Where I realized some information triggered painful experiences, I was willing to discontinue the interview. I was in a dilemma and the decisions I took were based on the informants' decisions either to continue or not because the informants has a moral obligation to decide and I was to respect those decisions. However, I would divert to discussing general issues which lightened the situation and made them laugh before continuing the interviews.

Trustworthiness of the research

Trustworthiness is the underlying principle in any research. It is known that the researcher has a responsibility towards the interpretive communities, informants, readers and the public to ensure that the findings of the research are not established on the researcher's expectations but are based on the truth no matter the consequences (Bradshaw and Stratford 2010). The trustworthiness of the research is about the relationship established between the informants, the researcher and research findings (Matthews and Ross 2014).

Trustworthiness of a qualitative research has been generally questioned because of the concepts of validity, generality, reliability and objectivity which cannot be addressed as in quantitative research. There are a lot of debates in this direction. Whilst some writers such as Silverman have demonstrated how a qualitative researcher can incorporate measures to

respond directly to these issues (cited in Shenton 2004), Lincoln and Guba (1986) on the other hand, choose to use different terms such as credibility, transferability, dependability and confirmability as the essential standards for establishing trustworthiness in qualitative research.

The limitation for the use of these words in qualitative research significantly differs from the methods of quantitative in the techniques and procedures. In view of this, it is difficult to use the same principle across methods. One critical challenge relates to the subjectivity of the research. Qualitative method of inquiry is seen as subjective meaning there is no absolute independence of the researcher from the research subject. This makes qualitative research challenging (Dowling 2010). However, it is vital for the researcher to openly acknowledge all potential biases and prejudices to obtain a form of confirmability. The significance in ensuring validity of qualitative research is the issue of inter-subjectivity. This refers to the interpretations and the substances that researchers give to the verbal and non-verbal communication of informants in the findings of the study as there is interaction between the researcher and research subject (Dowling 2010).

Although the argument might depict qualitative study as one which is far from excluding biases, nevertheless, rigour can be achieved on greater degree and may be based on the ethics and conduct of the researcher on the field. I agree with Dowling (2010) that recognizing the possibility of social relations affecting the findings of the research can be minimized through critical reflexivity to reduce the challenge of subjectivity and inter-subjectivity of research.

Lincoln and Guba (1986) argue that to ensure credibility is one of the most vital elements in establishing rigour in research. It is simply trust that will expose critical information of the informants to the researcher and when this trust is breached it undermines the outcome of the inquiry. These demands can be overcome by maintaining neutral expressions without indicating approval or disapproval of the information.

Credibility

To ensure credibility of my findings, probing was the strategy I used to clarify themes that may be misinterpreted by the informants. The most important tool was for me to record and analyse the ideas and lived experiences from the informants' perspective rather than my preferences and characteristics of the topic. I found out the consistency of the information provided whilst I interviewed other household members for verification. However, it may be difficult to tell if an informant is not saying the truth.

The best instrument to use was to observe the facial expressions and body language to identify if there was consistency. I used a lot of probing to figure out the inconsistency in the information provided. On the other hand, I discarded all interviews which I realized the informant was not telling the truth. I will say that a level of credibility may be achieved when there are multiple realities perceived by the informant and the research findings are basically based on the different categories of informants' perspectives (Lincoln and Guba 1986).

Transferability

Transferability refers to the level to which the findings can be applied to other contexts and with other groups; it is the ability to generalise from the findings to larger population (Krefting 1991). There has been a debate as to the possibility of achieving transferability in qualitative study since the research is specific in context.

Nevertheless, the findings from a case study can be transferred to a broader population (Baxter 2010). It is vital that the researcher explicitly explain the extent of transferability of the findings. I have to admit that to achieve transferability in the study findings may be challenging since the information generated had some similarities and differences based on the local context and the feelings of the informants at the time of inquiry. There may be different reasons for how people fall into poverty in different geographical context and every individual. Although they may experience similar cases, different meanings may be attribute to the cases.

According to Lincoln and Guba (1986), to achieve transferability, the original researcher needs to present sufficient information for comparison. In view of this, I explicitly provided detailed information from the research data which may enhance comparability to achieve a level of transferability.

Dependability

In order to achieve trustworthiness of the findings of the research, there is the need for consistency in the data to indicate whether the findings may be consistent if the research should be replicated with the same subject or context by a different researcher. This approach of identifying consistency through variations of data from informants or subjects is termed as dependability (Lincoln and Guba 1986).

It is argued that the researcher and informants are the best instruments to assess for consistency in qualitative research (Krefting 1991). However, it should be noted that both the researcher and informants vary in the research. Nevertheless, I have described the precise procedures of data collection, analysis and interpretation. It is argued that the use of

triangulation will enhance dependability as the weakness of one method is complimented by alternative methods in the data collection methods (Lincoln and Guba 1986).

To achieve dependability, I used semi-structure interviews, focus group discussions and observation. This provides avenues for how the study was conducted and how it may be repeated and the uniqueness of the situation to enhance consistency to ensure trustworthiness of the research.

Confirmability

Confirmability refers to the degree to which the same findings can be reproduced within the study context by others when similar methods are used in the study (Lincoln and Guba 1986). To reduce my influence on the information collected, I used the semi-structure interview and focus group discussions to allow enough space for the informants to flexibly describe cases. I employed the attitude of a learner to listen and understand the data in the words of the informants. This is a credit for me to ensure confirmability of the research findings since analysis is based on the informants' perception of poverty and safety nets as they have experienced rather than from my own view point.

Furthermore, I ensure confirmability through the audio recordings and field note and my thoughts whilst conducting the research. I further examined whether there have been changes in my ideas based on the interactions with the informants and how the informants viewed my personality in terms of gender and age and how these may have had any influence on the findings of the research.

It is difficult for me as a researcher to indicate all the laid down criteria for ensuring trustworthiness in the research has been achieved. Nevertheless, I make every effort to reach a level of nearness to quality data collection, analysis, interpretation and reporting to ensure trustworthiness in the research findings.

Chapter summary

In this chapter, I explained the methodology underlying my research study. I argued that qualitative research provides a lot of opportunities to understand the reality of the social world and processes regarding the differences in human behaviour within an environment. However, I also recognized the demerit of a qualitative approach which makes it essential for me to consider my position and biases as a researcher and the possibility of my influence on the research subject and findings. I have also stated how I used critical reflexivity to deal with challenges in my research.

Furthermore, I have mentioned other constraints which may have the potential of influencing the research findings. These constraints include my inability to interview some children in certain households and the defect of my eye as a physical challenge. Although, those individuals may have reveal quite an interesting information the research findings has not been comprised since I was able to interview a section of those groups in different households. Having described the details of the research processes, challenges and how I managed, I could say that my research findings is accurate and reliable.

CHAPTER FIVE

TYPE OF RISKS THAT MAKE PEOPLE SUSCEPTIBLE TO FALL INTO POVERTY OR BECOME POORER

Introduction

This chapter is to find answers to the type of risks which makes households vulnerable to fall into poverty or become poorer in an urban community. For effective implementation of poverty prevention policies to improve upon the wellbeing of households, it is important to understand the type of risks and risk management approach used by households which makes them to either fall into poverty or become poorer. This is to seek answers to the first research question of my thesis through prioritising the experiences and opinions of the informants as collected from the field through illustrations and analysis.

I will also make reference to the concepts and theory where applicable, in describing and explaining the experiences of the informants. This will enable an easy understanding of the diverse experiences of risks and vulnerability that makes a household poor or poorer when exposed. I will first give a brief description of an informant's household- its characteristics and socioeconomic background- to enhance the understanding of living experiences from the informants' perspective. The unit of analysis in this thesis is the household and not individual. This is important to comprehend the inter-household transfer of resources and informal safety networks, and how such experiences influence risk and vulnerability management within the households' setting in an urban context.

Household and socioeconomic characteristics of informants

A study of an informant's household characteristics shows variations such as gender, age, female headed household, disability, educational level, type of livelihood, marital status, person living with HIV, and social assistance beneficiaries. The informants at the households level engages in support activities such as trading, carpentry, masonry, hair grooming, clothes making and commercial drivers, others were also former workers in companies such as railway corporations, ports and harbours, NGOs, and district assemblies. The list also includes pensioners, students and the unemployed.

Nevertheless, a different class is used to distinguish variations of participants in the focus group. The participants were grouped under the following headings- the non-poor, poor, educational status and source of livelihood. Vulnerable persons were also grouped according to their age and gender. The reason for this varied grouping is to examine whether

socioeconomic characteristics may have influenced on the ability of formal and informal safety nets to prevent people from falling into poverty or becoming poorer.

Additionally, the housing structure of informants where interviews took place is considered in the analysis. Some of the informants lived in compound houses, others also lived in rented houses whilst some lived in their own houses either completed or uncompleted. Those who lived in compound houses are more likely to mitigate vulnerability when exposed to risks through the informal safety nets than those living in their own houses. Moreover, those who are socially networked and have a source of livelihood are also likely to receive support from other households when they are exposed due to the reciprocal nature of informal safety nets.

Degree of poverty

The table below presents the degree of poverty of households in the study area.

Degree of wellbeing	Description
Non-poor	<ul style="list-style-type: none"> • Own house • A car (optional) • Two members with secured livelihood • Educated children • Food secured • Highly social connection
Near-poor	<ul style="list-style-type: none"> • Own /Rented house • Own a land/ any economic assets • One member with a livelihood • Educated children • Food secured • A level of social connection
Poor	<ul style="list-style-type: none"> • Rented house • Unsecured livelihood • Poor level of education • Food insecure • Poor social connection
Poorer	<ul style="list-style-type: none"> • Staying with relatives/ no shelter • No livelihood • Uneducated children • High food insecurity • No social connection

Figure 5. The degree of poverty.

Source: Field work 2014.

Type of risks

Explanations for the type of risks which threaten households to become susceptible to poverty can be found in development literature which points out that an exposed household without the necessary resources to sustain them will become vulnerable (Subbarao et al. 1997, Holzmann and Jørgensen 2001, Devereux 2002, Foster 2005, Wietler 2007, Rahman and Choudhury 2012, Blaikie et al. 2014).

Again, related literature in risk, vulnerability and poverty shows that a household's exposure to risk which makes them vulnerable is not isolated from a wide variety of risks. This indicates a combination of social, economic, political, physical and environmental factors (Holmes and Jones 2010). The discussion below illustrates how these combinations of factors influence the decline in a household's capability which makes them vulnerable to poverty.

Death risks

A household is made up of different individuals with varied socio-economic capabilities which determines the capacity of the household as a unit. In view of this, any change in the composition will affect the human and financial resource condition of the household. The death of a small child in a household may have little effect on the household condition, however with the death of a breadwinner, everything may come to a standstill in the family. The death of a breadwinner has been identified as a risk which makes them susceptible to fall into poverty (Devereux 1999). For a well-functioning household, the need for earning capacity of two or more adults. The breadwinner is the one who provides resources for the daily needs of the household. As a result, any shock which affects the breadwinner such as accident, death and loss of livelihood have negative effects on the resources of the household making them vulnerable. HH10 is headed by a young man of 26 years with four dependents. He is a student at a tertiary institution and explains how his previous non-poor household became near-poor as a result of the death of parents through a car accident:

“We were never poor and never thought we could be classified as poor. My dad and mum were both bankers and provided us with all our basic necessities. They had an accident and died the same day leaving us as orphans with no care. I was now burdened with the responsibility of caring for myself and that of my four siblings. Life has never been the same after their death.”

The death of a breadwinner in a household does not only affect the human resource but the assets acquired to buffer such shocks. Households with death issues face multiple shocks which are emotional, social, financial and physical in nature.

In Ghana, the extended family plays a critical role in the lives of the deceased's household. Households may fall into poverty due to their inability to access adequate resources to buffer them as the extended family may take hold of the deceased properties. This may happen in a case where the said deceased is unable to write a *Will* before his/her demise. This is experienced by HH4, a 47 year old female-headed household who is a petty trader with a mere primary education with 7 dependents. She explains how her late husband's family accused her of killing her husband to take his properties. Her husband was unable to write a *Will* before his death, hence the deceased's extended family taking charge of his (deceased) properties and ejecting them from the house one early morning. She explains how she walked through the rains with her children to seek for shelter at her relative's home in another community. This is how she explains her experiences:

"Death is a wicked thing which may happen to anybody. I never imagine that my husband's death will change my condition from a landlady to a tenant. I was even accused of ruining and killing my own husband, someone I have suffered with for the past twenty-three years. They should have considered their brother's children but they didn't. They rather said the children belongs to me and not their family and they allowed us to walk through the rains to seek shelter elsewhere."

As stated above, some women are accused of killing their husbands. This prevents a lot of women from seeking legal advice on how they can get a share of their husband's properties. Although there is a legal procedure as to how properties are shared according to the interstate succession law, a lot of women become vulnerable and insecure after the death of their husbands. Hence, the need to provide security for such women must be critical to policy makers in countries in sub-Saharan Africa. This study is in contrast to studies carried out in southern Ghana by Goldstein et al. (2002), which shows that the extended family supports vulnerable household in a community.

However, I need to mention that there is some correlation between the educational level of widows and the insecurity they experience after the death of their husbands. This is because women with higher level of education know their right and obligations and are able to seek legal advice on how to gain ownership of their husbands' properties without any interference from the extended family. This indicates that less educated women are more likely to become vulnerable after the death of their husband, in the case where the deceased is a breadwinner, than highly educated women.

Economic risk

All things being equal, a household which has the capacity to withstand shocks has available resources reserved to buffer the risk. However, reserved resources may be depleted in times of crisis especially during introduction of policies which have adverse effects on the poor (Subbarao et al. 1997). Example of such risks are the removing of subsidies from agricultural inputs, utilities and social services. This includes the terms of trade, exchange rate and currency devaluation. In addition, institutional policies such as employment restriction in public sector, which is the major provider of livelihood in Ghana, is also a major risk.

Economic risks affects the livelihood of both rural and urban households. This is because the urban areas functions as a nodal town for the interlinkages to transfer goods and services. In view of this, a government policy to reduce subsidies from agricultural inputs will have adverse shocks on the farmer in the rural area and the consumer in the urban area. When the farmer's livelihood is affected and is unable to produce adequate quantity of food for the market, this will have two effects such as increasing the prices of food due to shortage and the importation of food which will affect the exchange rate hence increase in the cost of living for the urban poor making them more vulnerable as households in such situation have the tendency to finance their current consumption needs than to reserve resources to help them mitigate future risks.

Moreover, economic risk such as increase in fuel prices also affects the wellbeing of the urban households. This is considered by a lot of the households as the risk which makes them exposed to becoming poor. HH10 mentions that when the government of Ghana decided to remove subsidies from fuel prices and consumers were to pay for the full recovery cost of fuel, it affected every aspect of their livelihood and living conditions as:

"A wild fire starts to burn on a small parcel of land and by the time one gets to quench the fire you realize the negative effect of the fire has affected people's land, livestock, houses and lives have all been lost."

HH15 highlights the above case by demonstrating how fuel prices affects households to become vulnerable:

"Fuel price drives everything here- transportation, utility, food, housing, education, health, with the exception of income. Friends and families who payed transport fees for you when you happened to be in the same bus now pretend not to have seen you"

so as to avoid paying for you. My relationship with a friend just ended because of my inability to pay for her fees in the trotro (Ghanaian public transport)."

An increase in fuel prices means increase in transportation cost and this affects persons either driving or taking public transport. Food from the rural areas to the city are also affected since the cost of transporting the food will increase the prices of food. Moreover the cost of materials for building increase, with educational and health facilities increases their rate because they are also affected. Landlords increase rent and business owners increase the cost of goods and services. As mentioned above, it seems an increase in fuel price in Ghana makes households more vulnerable. This may breakdown social relations which have been built over the years.

Governments before implementing such policies must take into consideration the socio-economic impact such policies will have in the lives of the poor. An example is the structural adjustment policy introduced in the 1980s which various researches have shown had adverse effects on the lives of both the non-poor and poor as this caused a lot of people in developing countries to lose their livelihoods (Adams 1998). Other near-poor households fell into poverty and stayed in it because they were incapable of sustaining themselves to their previous living conditions (Subbarao et al. 1997).

A similar case is reported by HH14, a former worker at the railway corporation. According to the head of the household, he used to be a non-poor household who held a managerial position and lived in a government bungalow until the workers were asked to proceed on leave until further notice. He said, he initially anticipated that he will be called back soon and he had to deplete his reserved resources to support his own households and extended family. He lost his livelihood and now he is too old to return to active service should they call him back to work. This is what he had to say:

"My life was worth-living and I had the ability to support people especially my extended family- all they had to do was ask. Ever since I was laid off due to the inability of the government to run the operation and maintenance of the infrastructure, life has turned sour. The government could not afford to pay for our services anymore since there was a decline in the operation of the railway sector. My household suffered a lot from emotional and social shock due to the respect and social recognition I lost when I got laid off from work."

Households in Sekondi-Takoradi who were affected by the massive layoff of workers in the railway sector talked about how situations became unbearable. Although, a spouse of HH17

was not a worker at the railway, she mentioned that the railway retrenchment had an effect on her business. This was because she supplied the workers with groceries and at the end of every month, the workers paid what was due her once they received their salaries. All this ceased when the workers got laid off. She explains as:

“I became indebted to my wholesalers as those workers could not pay back my money when they were laid off. Those who even pay destroy my capital as the payment was done in bits hence my inability to save and pay back my debtors. I had to sell my car to pay back because I was threaten to either pay or face legal consequences.”

One may notice that economic policies geared towards the enhancement of economic development must be critically assessed to evaluate the vulnerability impact it will have on the living conditions of the poor. The adverse effect of economic risk may not be limited to only a section of the population but the whole. However, such policies may have negative impacts on the wellbeing of the poor and vulnerable due to their incapability to sustain themselves as a result of unavailability of formal and informal safety nets, unlike those households who may have resources such as vehicles, savings, investment and social connections which improves their capability to cope and mitigate such risks.

Furthermore, evidence shows that economic risk may lead to unemployment and loss of livelihood which declines the resource base of households especially the urban poor (Devereux 1999, Amis2002). In view of this, for any effective implementation of social risk management in Sekondi-Takoradi, there is the need to have a redefined unemployment benefit scheme to cushion households who are vulnerable to fall into poverty and stay in poverty through *work for cash programmes* as in the productive safety nets in Ethiopia (Dercon 2002). This will enhance their financial resources in order to protect the wellbeing of household members especially women and children who are mostly affected when the household is faced with shocks.

Health risk

Health risk is associated with poor nutrition, inadequate safe water, poor sanitary facilities and heaping of solid waste in urban communities. In addition, urban areas which have been seen as an engine of economic growth have the possibility of increase air pollution, lead concentrations and traffic congestion due to high urbanisation and industrial activities (Amis 2002). These factors affect the wellbeing of the households living in urban areas.

However, a non-poor household has the capacity to prevent and mitigate health risks as they have the resources to balance their diet with the requisite nutrition, safe water and proper sanitary facilities than the poor. Poor health of a household member decreases the members' ability to actively earn a living from livelihood activities. This shock may affect the resources of the household as time for other economic activities will be directed at caring for the sick member. Ill-health as a result of chronic diseases like HIV/AIDS and tuberculosis may weaken social relations whilst depleting reserved resources. Discrimination against people living with the disease makes it challenging for affected members to acquire some jobs, although the International labour organisation law implies equal opportunity for all. Moreover, the fear of stigmatisation leads poor households to seek for alternative health care which are faith-based or self-prescribed. This behaviour exacerbates the vulnerability of the poor hence they becoming poorer.

Although, researchers' have argued for the implementation of a universal health care policy as a form of formal safety net (Subbarao et al. 1997, Holzmann 2001, Rahman and Choudhury 2012), in my opinion, having a policy without the necessary behavioural change in the socio-cultural worldview of the people may be inadequate to sustain majority of the vulnerable households. HH23 who was previously a manager in a reputable company has been infected with the HIV virus for the past ten years. He lost his livelihood due to his frequent illness and inability to contribute meaningfully to the progress of the company. He mentions that his relatives supported him when he fell ill at the initial stages. However, according to him, they changed their attitude towards him when he was diagnosed with HIV. He said:

“Am living in my own property as a slave because I am HIV positive. They now tell me when I should eat and where I should seek health care. They treat me as nonentity although I provide the financial support in the house. They use my money and sell my lands as if they are the ones who earned it. The worst part is they continue to count my grave days and thinking about all these makes me weaker.”

From this case, it is realised that ill health is one of the means through which household members lose their source of livelihood. Those who are able to sustain themselves are households who have some resources in the form of economic investment made during their productive time. However, households living with HIV/AIDS encounter other form of vulnerability such as emotional stress, depletion of resources by family members and stigmatisation.

Households express concerns about accessing quality health care in the metropolis. The poor and vulnerable households usually use the public health care facilities which are inadequate, they usually have to stand in long queues before they are attended to. In view of this, the non-poor highly patronise the market-based health care whilst the poor access traditional-health care. In addition, poor households continue to buy medicines from peddlers whilst others use other medicines prescribed for other members of the household without seeking professional advice hence increasing their vulnerability to become poorer due to the side-effects of these medicines.

Environmental risk

Blaikie et al. (2014) argues that households living in urban cities are exposed to two main environmental risk associated with human activities on one side and natural on the other side. However, in Sekondi-Takoradi the cause of environmental risk is mainly through human activities such as migration, pollution, quarrying and construction of sub-standard buildings along flood plains leads to flooding and destruction of properties. The issue of flooding is worse in the cities due to high population density where a large number of people occupy a limited space. This in effect reduces the permeability of surfaces ground water and increase run off rates. Flooding in the city is mostly catastrophic which overwhelms the coping capabilities of households thereby making them vulnerable.

Research has shown that most of the urban poor prefer to live in the low-lying areas which is less expensive to acquire and not prime for public and private development (Few 2003), however the nature of the topography demands engineering works before construction. This study reveals that the urban poor prefer to live in such lands because of the non-competitiveness of such lands in addition to the low cost. This is experienced by HH20 as:

“I prefer to buy a land in the swamp which is affordable considering my financial ability. Here, I would not have to think about ejection notices from my landlord since I own the place.”

With the limited resources of the urban poor, most households are likely to secure shelter in low-lying areas which are flood-prone because they acquire such land without going through the necessary building regulations. According to some households, their inability to acquire legal documentation for the construction of houses is due to the bureaucratic process in acquiring a permit. This has also been identified by the city authority as a major risk of flooding in the metropolis since most households build on waterways (STMA 2014). This increases their

risk level hence making them vulnerable to become poorer as some loss their capital through floods.

Research by Blaikie et al. (2014) indicates how floods can disrupt access to services and infrastructure such as loss of life and livelihood. This is confirmed in this research by HH7, a 30 year married male driver with three dependents. He expressed how floods destroyed his asset and livelihood. He mentioned that his vehicle was submerged in the flood and when he recovered it the vehicle was damage beyond repairs. In addition, his personal assets such as television and refrigerator which his wife used as a source of livelihood also was damaged. He explains:

“The flood that year was severe and my wife had kept her capital in the room because she was travelling to the north to purchase wholesale food items to come and sell. The rains came and took away the money, it was like my world had come to an end that very day. In addition to this, my vehicle was damaged, leaving me unemployed.”

This shows how floods can destroy valuable assets of a household thus making them predisposed to vulnerability. Most poor households keep their monies at home instead of the banks due to the complexity of the banking procedures. These households are more vulnerable to loss their capital during catastrophic floods than those who save their monies in the banks. The picture below shows the devastating nature of floods in the city. This risk destroys both productive and economic assets hence resources which could have been used in other economic activities are used to purchase such assets again making the affected household vulnerable to fall into poverty.



Source: www.peacefmonline.com

Additionally, environmental risk in Sekondi-Takoradi does not affect only the individual households but the community at large as some of the community infrastructure gets destroyed as a result of the storm. This according to the city authority puts constraints on the limited budget allocation as resources planned for other socio-economic activities are directed to solve emergency relief problems which could have been prevented through strict building regulations. This shows how households and communities become poor through environmental risks as a consequence of *asset erosion* (Moser 1998).

Moreover, environmental risk may displace a household or a community. This places households in a dilemma as to where they can seek shelter. Some households form a *spatial bond* with their environment hence asking them to resettle in another community which is different from their initial environment becomes challenging. This is what HH13 had to say concerning this:

“This environment is everything to me. Although when it rains I have to stand in my room and count the number of drops that fall from my leaking roof, I still want to stay here. I have easy access to the mangrove for my needs. My friends and family are all here and there is nowhere new for me. I will live and die here because this is my home.”

From the above submission, households experiencing environmental risk may still want to live in that condition not because they are incapable of relocating but because they have formed

bonds which is hardly to break. Although flooding makes households vulnerable to fall into poverty, Blaikie et al. (2014), suggests that floods bring widespread economic and environmental benefits as floods may sustain current agriculture levels and whilst others gain inputs from governmental interventions as a formal safety net. Households prefer to live in a flood-prone home where they have a bond with their environment and where informal safety net are readily available to support them when they are deprived, than relocate to another settlement. This is described by Few (2003) as: “Living with floods” (page 46). This case might explain why some resettlement programmes turn out ineffective. For any critical intervention to have an impact on the living conditions of the urban poor, spatial bond needs to be examined to help reduce vulnerability and poverty.

The picture below indicates how meat is prepared for the market. The animals are burnt with tyres and the butchers do not have any protective clothes hence they become vulnerable to other respiratory diseases whilst the whole community suffers from air pollution through their activities.



Source: Field work 2014.

Although, the city authorities have prepared a modern abattoir further from where they initially slaughtered these animals, the butchers are currently reluctant to relocate due to inadequate infrastructural facilities at the new location such as road, electricity and water. To avoid further deprivation in the lives of the poor and vulnerable households and to protect the livelihood of

the butchers, the necessary infrastructural development needs to be established to keep households from vulnerability.

Old age

The definition of old age is understood differently based on varied multi variance with emphasis on cultural variations. Old age refers to people who are 60 years and above as outline in the Ghana pension scheme (GSS 2010). The aged are faced with several risk factors such as social isolation, depression, illness and functional decline. Most of the aged in developing countries are not covered under any form of social security especially those who worked in the informal sector such as urban farmers, commercial drivers, house servants, traders, masons, hair dressers and dress makers. Such category of labourers are more prone to become poorer when they retire from active economic ventures since there are no forms of social security to protect and sustain them against risks.

Old people who receive a monthly pension have the capability to sustain themselves and their household against health risks though their pension money may be meagre. However, a household without any form of assistance from informal and formal safety net is more likely to become vulnerable and subsequently become poorer. For example HH18 a 78 year old man explains the household's condition after his retirement from driving a commercial vehicle for 53 years. He said:

"I did not want to retire from driving because I knew I will be poor when I come home with no source of income. My wife's business produces small profit which we use for food and my children are struggling with their household so I do not want to bother them with my problems. I should have planned for my future and the government must provide a form of security for those of us doing our own jobs just like those in the formal sector."

The example above shows how some older people want to still work although they may be incapable of working. In view of this, there is the need to examine the retirement age since this phenomenon is not only experienced by those in the informal sector but also those in the public service. According to the 65 year pensioner in HH21, the retirement age in Ghana should be extended to 70 with voluntary retirement at 65 so the aged may be engaged in active service to train the younger generations to take over. He described his retirement period as a journey of death for most of his colleagues who did not plan for their future. He said:

“When we receive our letter of retirement it dawned on us that we were indeed old and incapable of working any more. Our employer gave us lump sums of money but it was inadequate for those who had no shelter on their own and still had children in school. Within a period of 6 months most of my colleagues I came home with died, leaving their households vulnerable to fend for themselves. There is no need to ask people to go home at the age of 60 when they still have the capacity to deliver and enhance productivity. This is because retiring people from work is like telling them to go home and die.”

Although a change in the life cycle of a person is a gradual process, some people are incapable of comprehending how time changes from young to old hence their inability to prepare for their old-age period. From the above case, although the employer provided a form of formal safety net for the employees to return home, some of the employees were not psychologically prepared to stay home without any form of livelihood. In addition, old-age households who do not have any form of shelter and have their dependents still young are vulnerable to fall into poverty than a household with a shelter and no dependents to care for after pension. This indicates that providing cash alone may not sustain a household who is faced with old-age risk. Safety nets must be comprehensive to include other forms of services through information dissemination on affordable housing and education on insurance which helps in sustaining a household made up of old people.

Spiritual risk

Risk experience has been limited to economic, social, political, physical and environmental. However, there is the emergence of another type of risk per households view as one which is spiritual in nature. The fear of malicious forces, be it witches, warlocks and demons thwarting the plans of people who are to succeed, has been expressed by households. Spirituality refers to the relationship between people and the mystical. However, spiritual risk may occur when there is a disequilibrium between households and the above mentioned factor. Households attributed illness, loss of livelihood, accident, infertility, poverty and all forms of challenges which could not be interpreted nor backed by scientific reasoning as spiritual risk.

A non-poor household who suddenly became impoverished is said to be under spiritual attack by the relatives. A typical case to explain how spiritual risks may make a household susceptible to poverty is from the head of HH18. According to the husband, his wife had refused to send monthly money to his mother because he claims her mother-in-law is a witch and the said mother-in-law is the cause of her husband's loss of livelihood. This

according to the husband has brought a lot of hardship in the lives of his mother since he is now incapable of working and supporting his relatives. The spouse who has a livelihood claims for her households to prosper, she prefers to give money to her priest than her relatives.

This case contrast the view from Cox and Jimenez (1992) that the extended family serves as an insurance for old-age households when they become vulnerable. This shows that the motivation for transferring resources is not only altruistic and transactional as stated by Arnall et al. (2004). There is a rationale of how spirituality also influences people's behaviour to transfer resources to other vulnerable households. Although, the accused relatives may not possess any spiritual power to harm any household member, they suffer the consequences of such claims which makes them vulnerable.

Studies carried by Halawayhi (2014) in Sekondi-Takoradi indicates how households seek for spiritual empowerment to get promotion at work, quick market, success as a form of exorcism from ailments caused by witches. In view of this, any failure in the lives of households are as a result of spiritual activities. The most interesting issue identified is that old-aged women, children and the poor are mainly those being accused to cause havoc in the lives of non-poor and near-poor households. This is a contributing factor as to why there exist prayer and witch camps in Ghana.

However, the belief of spiritual risk causing households to fall into poverty needs to be examined in the academic field. This is important because it may help deconstruct the *mentality of poverty* as some households are afraid to take higher-risks in economic activities which have higher returns for the fear of being harmed by spiritual forces. HH19 explains why his household could not buy a prime land for investment although the household had the financial resource. The head of the household said: *"I was really afraid that the witches in my family will kill me and take hold of my property"*, hence his inability to buy the piece of land which could have changed his household's resources and standard of living for the better.

Spiritual risk affect households' vulnerability in two dimensions, that is the donor-household on one hand and the recipient household on the other hand. The donor-household is said to be vulnerable due to a belief that the recipient-household out of envy causes the donor-household's resources to decrease through accidents, fire and any form of havoc on any member of the household. In effect, the donor-households have to use most of their resources to solve their problems and by the time a solution is found they may have fallen into poverty. This limits the capability of the donor-household to assist other households who may be exposed to risk hence the recipient households who were poor become poorer since transfer of resources is terminated.

Households mention how their decision to support the poor and vulnerable ceased because of their personal experience of how assisting others, HH23 explained that she tried to help a poor woman with five children and none of her children were attending school. Speaking with emotion she said:

“From my very heart I wanted to assist this woman with some money to start a business so she can take care of her children since she says she does not have any man to support her. I gave her money to go and register her children in school so I can later give her the capital. However, the moment I gave her the children’s school fees to her (poor woman) my car had an accident and I spent more money to repair my car.”

She continues that the poor woman she supported is a witch and that explains why her household was inflicted with suffering. This household vowed not to support any vulnerable household again as a result of her experience and has advised other households likewise. Although, their experiences could have been a mere coincidence, as far as they attribute the cause to the recipient, it becomes difficult to transfer resources to help cushion poor households. Their decision affects other vulnerable households hence the reason why the informal safety net is gradually declining and resulting in the inability to keep households at certain standards of living.

Education

Education is important as it enables household members to harness resources effectively and efficiently to help prevent vulnerability when they are faced with risks. Education is made up of the past, current and future knowledge and this enhances the human resource of the household in order to identify pathway towards social risk management globally. Households with better education are less vulnerable to fall into poverty or stay in poverty. They are able to use their knowledge to create other opportunities to acquire basic resources which sustains them even when they are exposed to risk. In addition, education improves their social network and may easily have access to economic opportunities especially when there are vacancies in a network’s company. A participant in the focus group had this to say:

“People play according to their class and if you don’t belong to their set of class, there is no help for you. All these classes are created because they have a special social degree which we do not have. Your qualification does not matter if you want a job now. To get a job depends on who knows you and not who you

may know. The rich will continue to get richer whilst we the poor get poorer.”

Poor households without higher education may become poorer when exposed to risks such as the introduction of new technology. Households with less or no education in an institution are the first line of people to lose their jobs when this happens hence they become more susceptible to poverty. A household with low or less education earns low wages and this affects their nutrition, access to basic facilities such as education, health, utility services, housing and land hence the possibility of inter-generational poverty as children may be incapable to attain higher levels of education. This leads to low productivity, less asset to help buffer risks and the cycle of poverty continues. Children from poor households are more vulnerable to become poor in the future if there are no educational safety nets to cushion them to change the living conditions of their households in the near future.

Although, children from poor households may be vulnerable to become poorer, households mention that for there to be a change, they try to send their children to other non-poor households such as relatives to assist with house chores whilst their children get the needed education. Children staying with other households have a better opportunity to enhance their human resource capability to help their initial households in the future. However, some of the children who go to stay with relatives suffer a great deal of hardship and they become prone to other social risk such as rape, pregnancy and domestic violence. A young lady from HH13 mentioned that she suffered from her relative's husband who molested her every night. She said:

“Every evening was a nightmare for me. He beats me up and then sleeps with me. If I refuse to sleep with him, he threatens to deprive me of food for days. He kept saying that if I wanted to be a great woman who could alleviate my mother's poor condition, then I had to comply with his wishes. He also threatened to kill my mother and me if I told anyone about our affair.”

She continues that she suffered a lot during the time she stayed with them. She was constantly reminded of her poor household and for her to make a difference she had to suffer from this domestic violence. Her rights were violated but what could the poor do if there are no formal safety nets in place for the protection of children from poor households to be sustained

Households are of the consensus that the provision of capitation grant and school feeding programmes alone may be inadequate to support vulnerable and poor children. It is important to introduce a form of child benefit allowance which will encourage poor households

to educate their children to a higher level. This will enhance their human capability as they acquire and increase knowledge and technology in transforming available resources to sustain them. It also helps them to participate in the labour market thus enabling them to reduce shocks and build their assets based on their income.

Infrastructure

Traditionally, infrastructural improvement has been viewed as a major contributor to development and poverty prevention as a derivative of growth in an urban economy (Moser 1998, Amis 2002). Inadequate access to urban service such as roads, electricity, housing, water and sanitation, increases households' vulnerability. Households mention how poor road networks affects their livelihood as they spend long hours in traffic to get to their space of work. This affects households who are mainly engaged in the informal sector. As mentioned previously, the economy of Sekondi-Takoradi is based on commerce. In view of this a delay in traffic affects the income of the traders. Low income leads to their inability to sustain their households when exposed to risk.

The energy crisis facing the economy of Ghana is affecting the livelihood of most households. As some explain that they use electricity to generate power for their equipment in the production of goods and services. This crisis has affected some households as their employers have downsized their employees due to low productivity as a result of inadequate energy to power plant and equipment hence making more households to become vulnerable. HH15 a cold store operator mentioned how she is gradually becoming indebted as the crisis affects her business. She said:

“The infrequent power supply is affecting my business- my products do not only gets spoilt but my deep freezers also gets damaged. I have now closed down two of my facilities and I have asked some of my workers to go home because I cannot pay them anymore. The government must do something about it before we all get poor because am being swallowed by debt.”

The frequency disruption of power not only decreases productivity and livelihoods but personal assets of households. A lot of households mentioned that their assets are being damaged as a result of the energy crisis of the country. In addition, some households who depend on other members of their family mention how they are also affected as their donors' are affected with the crisis. According to HH12 who is dependent on his son for remittances said:

“Life is becoming more difficult for me. My son no longer transfers money to me and when I call him he claims he is not getting work because of the power crisis and that he is only surviving on his wife’s salary. He no longer picks my call and this power crisis is causing a lot of problem for us.”

Furthermore, households are affected with water and sanitation challenges in the urban areas. Children walks long distance in search of water for their households before they attend schools. Others gets tired and may have less capacity to concentrate at school and this disrupts their academic performance, causing lower rate of entry to higher education. Likewise some households commented on how they spend a lot of money to buy *sachet water* to bath when the taps stop flowing. Moreover, households are faced with exposure to sanitary problems in the cities due to open drainage systems which contributes to flooding in the central business district which have negative effect on commerce and health of the populace.

Moreover, rapid private development in the area of real estate is causing households to loss their farms. This is gradually affecting the food security of the city as urban lands available for agriculture is currently decreasing as housing stock increases. Households mention that the increase in the housing stock is targeted at the rich and whilst they loss their source of livelihood aside this, they also experience inadequate shelter. This is creating the slums and squatters in the city enhancing more crime activities as the disparity becomes visual between the *have and have not* in the city. To reduce social and infrastructural risks is to provide policies that will address the infrastructural gaps especially electricity, water, housing and sanitation.

Chapter summary

The diagram below depicts the type of risks which makes households vulnerable to fall into poverty or become poorer in the study area.

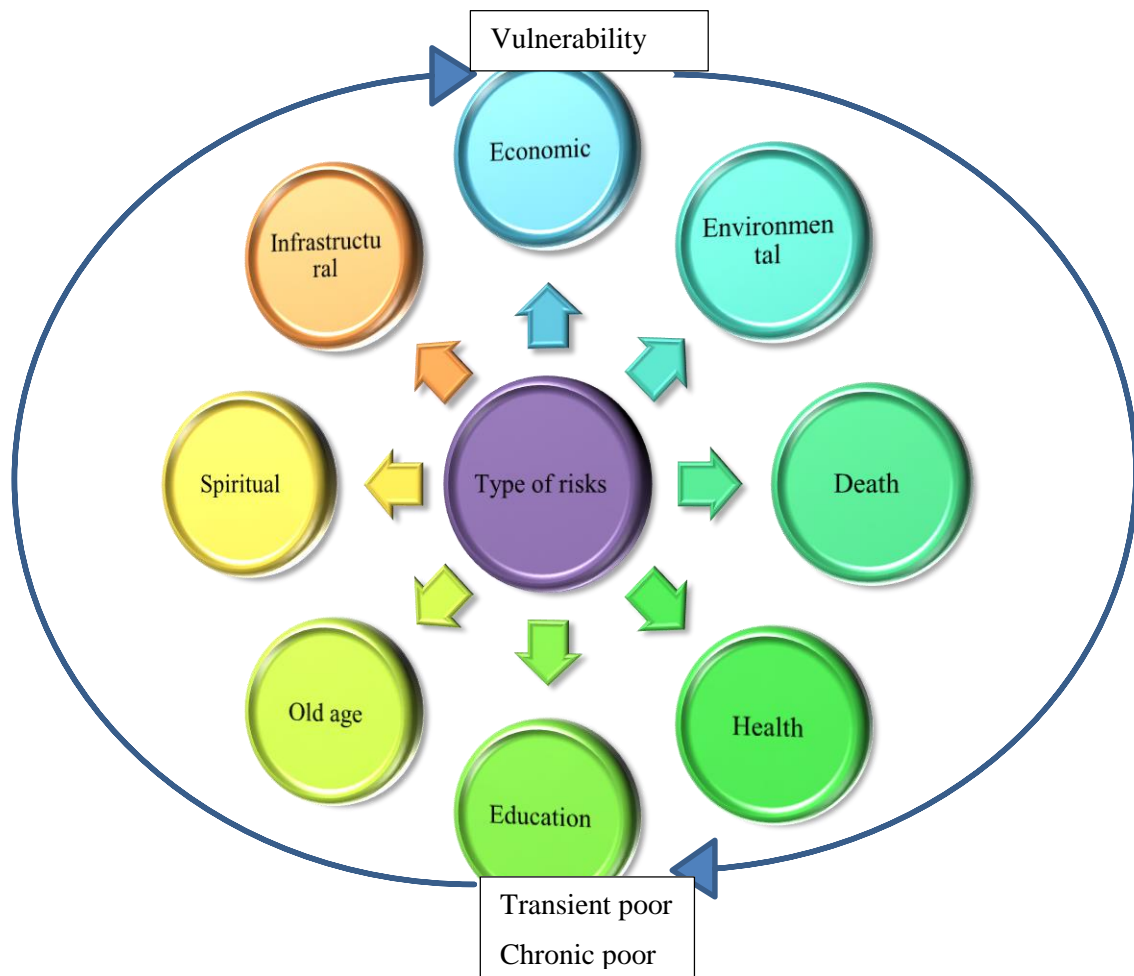


Figure 6. Type of risks that makes households to fall into poverty or become poorer.

Source: Field work 2014.

From the above discussion, households are exposed to series of risks which makes them vulnerable to fall into poverty or become poorer. It is worth mentioning that for a household to be transient or chronically poor depends on multifaceted risks and the availability of formal and informal safety nets. Households may be exposed to similar risks however those with strong resilience are able to sustain themselves than those with weak resilience. Building of resilience is based on available resources which are social, human, financial, natural and physical in nature. A combination of these resources enhances a household's capability to better manage risk, hence keeping them from falling into poverty and staying poor.

HOUSEHOLDS RISK MANAGEMENT STRATEGIES

Introduction

From a social risk management (SRM) theory position, to prevent a household from falling into poverty or becoming poorer in a community is dependent on a household's capability to prevent, cope and mitigate when exposed to risks (Holzmann and Jorgensen 2000). Although exposure to risks is inevitable becoming poorer is preventable through effective use of a formal and informal safety net which help cushion poor households in a community. In managing risks households depends on both formal and informal mechanisms. The formal mechanism includes public arrangement and market-based activities whilst the informal is through the activities of social networks.

Devereux (2002) argues that a household exposed to economic shock will make strategic decision about how best they can bridge their consumption deficit. However, Moser (1998) on the contrary argues that a household faced with shock is likely to protect their assets against consumption smoothing. Risk management decisions of poor households may seem irrational to outsiders due to their subjective perception, however to the urban poor those decisions are critically rational to their own perception. This study reveals the various mechanism use by households in the Sekondi-Takoradi which sustain them in their degree of poverty when they are exposed to shocks.

Redrawing children from school

Households cope with shock by redrawing children from school and non-continuation of education to be engaged in economic activities. Children who are engaged in economic activities earned wages which increase the financial resource of their household. This helps the households to strategically make decisions as to which child is eligible to be educated at the expense of other children. In coping with risk, the female children are likely to be redrawn from school whilst the male children are entreated to continue with their education. The reason for redrawing the female children from school is explained by HH4 as:

"I do not have enough money and I have spent all my savings to send my first child to the teachers' training college so that when he graduate and begin to work, he can support his sister to also further her education. I cannot do it alone so I need my daughter to support me care for the third child and the first. I know my daughter also needs to be educated but she has a basic school certificate and can learn vocation at any time in life or even get married to a rich man who can care for her."

This actions taken by households makes them to sustain their degree of poverty in the short-term. However, such behaviour also have a long term effect on the female children as they become more prone to be poorer in the future. As the female-child acquire less-education, less-pay job and susceptible to social devise such as teenage pregnancy, abortion and can lead to death as they engage in transactional sex to care for themselves and their household. This confirms research by Moser (1998) that the female-child is mostly at risk when a household is exposed to shocks.

Selling of assets

Some households with assets when faced with similar circumstances as mention above may not redraw their children from school. They will prefer to sell their assets to support their children's education which increase their human resource and enhances their capability to be in a better position to manage risks. An informant from HH17 states how he sold his piece of land to support his child's education. He explains as:

“My children's education is my first priority so I don't joke with it, I will sell all my hard-earn properties to see my children at the top level of society. So that in the future when people see my children they will say yes I am I am.”

Households' behaviour in risk management is challenging to predict and modelled since decision-taking is rationally motivated depending of their personal values and social construct. Households sell their assets to manage risks when the expected returns is higher such as assisting a household member to travel to other cities in search of livelihood, education and health. Households are less likely to sell their valuable assets to smoothen consumption, they prefer to borrow food from neighbours and families than to sell their assets.

Migration

Migration is another strategy use by the poor and vulnerable households when dealing with risk. Spatial distribution of household members enhances their capability to cope and mitigate shocks. Rural studies of coping strategies indicates that a rural household will diversify resources through seeking for livelihood opportunities in the urban areas to give support back home in a form of safety net (Dercon 2002, Devereux 2002). Households migrate to bigger cities such as Accra, Kumasi, Abidjan and abroad mainly to Italy, Germany, United States of

America, Spain and Libya to generate extra income and send remittances back home in time of crisis.

According to HH20, when her household source of livelihood was destroyed she made the decision to travel to seek for employment in Nigeria. According to her she was able to generate enough income to support her husband and children back in the city. The household was able to acquire a land and built stores for commercial purposes. She continues as:

“If I have stayed her my households would have been poor, it is good to travel and see what is happening at other places. Sitting down in your comfort zone does not help, you need to struggle to make the difference. My children are enjoying because of the decision I made to travel to support my household.”

Migrating to regions with the necessary enabling environment to generate income through livelihood helps households not to only cope with risk but enhances their capabilities to mitigate risk in the future. This keeps them from becoming worst off as they are able to acquire resources such as financial, physical and social to buffer the effect of becoming vulnerable. This is a very popular strategy use in the study area when they are threaten with economic shocks. This accounts for the reason why the youth in the study area prefers to travel to seek for greener pastures than identify livelihood opportunities which will create an enabling environment for increase productivity and poverty reduction in general.

Although, migration is an effective means to sustain households to cope and mitigate risks. Households migrating may also have negative effects on household vulnerability. This is because some members in order to cope with risk, takes risky adventures which affects not only the human resource but can be a household to descent in their degree of poverty. This is experience by HH12 who took a loan from a bank to assist his child to travel abroad as a measure to sustain the households. However, he did not hear from his child whether he arrived safely in his destination. He said:

“The only decision I ever made wrong in life is to take a loan from my work for my son to travel abroad. He told me he has all his documents and needed some money for his travel. I thought it was a good idea for a member of my household to travel and support us. My son passed through Libya and only God knows what transpired. I never heard from him and it has been over ten years now, maybe he died on the arid land who knows.”

Insurance, formal credit and rotating savings

Generally, high risks are given less attention by formal market instruments. The insurance and credit markets in Ghana are inadequate hence making consumption loan very rare to be accessed by the poor (Dercon 2002). As a result households insure themselves through both formal and informal mechanism which includes buying insurance products, risk-sharing, rotating savings and drawing from their savings. The non-poor and near poor usually insure themselves through formal private safety net which help them to mitigate risks in time of crisis. Households insure themselves during good years and they deplete their resources during bad years to cushion themselves from descending into poverty. The purpose of insuring themselves is to cater for the basic needs of their households such as education and health.

Although, there are available public insurance schemes such as the health insurance to support the vulnerable and poor households classified as indigent. The poor and vulnerable households in the urban areas finds it difficult to access as the targeting strategy is bias towards the urban poor. In view of this poor households when they experience ill-health related issues uses indigenous approach to cure the diseases. This includes self-medication, preparing herbal concoction at home and faith healing. According to some of the households this approach helps them to cure faster than seeking professional health care which is expensive.

When a vulnerable household is faced with financial shock, those who have a form of savings may draw from it to cushion them against risk. However, others also may receive support from social networks this is through the rotating-savings locally known as *susu* and *risk pooling* (Townsend 1995, Goldstein et al. 2002). The rotating-savings enhances households to mobilize resources through a daily contribution which is then given to one person based on their needs. Funds are distributed on a weekly or monthly basis and after one person collects the funds it is rotated until the last person has collected his or her share of the funds. This type of savings enhances the vulnerable and the poor to save traditionally to cushion them to mitigate risks when they are exposed.

Poor and vulnerable households through rotating savings have access to financial resource to acquire assets whilst some households use it to pay debt and start-up small business. A spouse of HH8 claims how she paid her debt through rotating saving. She said:

“Although my time was not yet due, I lobby with my friend whose turn it was to allow me to collect the money.”

She added that rotating saving was ideal; to her, she could not have paid her debt if she was saving in a bank since she did not have enough money to save. In rotating-savings, the

individuals involved usually understanding each other and all members live within a same geographical space, hence members' financial credibility is assessed as to whether an individual will continue to pay after the person has access the fund. Households may suffer from disloyal members who after accessing the funds may cease to continue paying for the rest of the members to access especially the last person to collect the fund.

Rotating savings is still a significant source of support which the poor and vulnerable use to cushion themselves in time of need as mention above to prevent risk (Deaton 2000). I think it is a ready-source fund and members do not need to provide legal documentations and collaterals before they can access the fund unlike the formal financial institutions. Some vulnerable households who accessed a formal loan have been imprisoned while others have had their assets and resources confiscated; this further plunges them into poverty. These experiences from households, indicates the significance of the rotating-savings and although it has its own disadvantage it is still a better option for the vulnerable and the poor in the community. Nevertheless, some micro financial institutions are using a similar module to reach the poor and vulnerable in the communities (Zeller 2001, Morduch and Sharma 2002), this is to assist them to access loans to expand their livelihood and to generate income and assets to enhance their capability to prevent and mitigate risks and vulnerability.

In addition, financial risk sharing is also important in the lives of the vulnerable and poor. This is the case where a household, exposed to risks is able to cope with the help of informal networks who is linked to socially and biologically. Household mobilize financial support through contributing cash, which on one hand is based on the financial capacity of an individual household whilst others also contribute based on an allocated amount of money to be paid to support the household which is at risks.

Families normally receive risk-sharing support during funeral ceremonies where the cost of burial is very expensive and the bereaved family may be incapable of financing the cost. As studied by Goldstein et al. (2002), funeral and marriage activities are highly cherished by the extended families in the Ghanaian society which makes social collaboration between friends and families very important. Hence, when a family is bereaved, there is the accumulation of resources through social ties. In contrast to the above, risk sharing support is mutually exclusive, it depends on a households' social status and ability to mobilize social resource to its advantage.

Food rationing and lowering consumption

Food rationing is another strategy use by poor households when they are faced with shocks such as loss of livelihood. A household may ration the proportion of food by reducing the consumption level. Some households may focus on less nutritious meals whilst some may decrease the number of meal intake a day. This may have effect on the general health-being of the household as without adequate nutrition may lead to low capacity to work hence less productivity and becoming poorer. HH13 states how she usually eats once a day since she is unemployed. HH9 a single household mention that taking a one-time meal is his only means of survival and even that depends on getting a menial job that day. He explains in his own words as:

“I know what good meal is but I do not have a good job and for me to survive, I must eat once a day buying kenkey (corn ball) with hot pepper without fish. At times the kenkey seller gives me fish for free but not always. I usually eat in the afternoon and drink a lot of water to sustain me throughout the day. This is call survival of the fittest.”

Households do not only ration food, some households reduce the consumption level of their daily meal. During the focus group discussion participants stated how they use to prepare sugar water with bread for their children to eat as a daily meal whilst the adults in the households goes hungry. Other households likewise go for wild fruits as a means of their daily nutritional intake to survive. In addition, some households also mention that they provide domestic services for other households in order to get food in return. This is done through *fufu pounding* (a locally prepare dish which demands strength in the preparation), washing dishes and clothes.

Furthermore, households also cope with food insecurity through attending social events such as funeral, marriage, birth-day parties and child-naming ceremonies. During such occasion poor and vulnerable households take advantage to get adequate food to store to cope with shock. A female head-household informant HH16 express how she and her friends attend such gatherings to get food when she have inadequate money to buy food as:

“We the less-privileged will need to co-exist with the privileged them in order to survive in the community. So I do not need invitation to come and eat at your home. I always visit friends when am hungry and I always go there when food is ready.”

In Ghanaian culture, sharing food between households, families, friends and especially strangers is the norm. It is believed that one may be assisting an ancestor who may want to

bless you, it may also be a god who may come in the form of a stranger to test a particular individual. One may incur a curse or receive the blessing of the gods depending on how well the disguised god was served.

As part of the basic necessity for human survival, food is of primary concern to the poor and vulnerable. Poor and vulnerable households may survive without buying clothing. However, with food it is important for every household member to get food to stay healthy to engage in active economic lifestyle (Davies 1996, Devereux 2002). From this, it is clear that food and nutrition are important to a lot of households since food takes a large portion of their income. As a result households try and find the available means to acquire food when they are faced with financial hardships. These gatherings serve as possible places where households have access to food.

Staying with families and friends

In Sekondi-Takoradi, family and community solidarity are an important resource which helps the vulnerable and the poor to mitigate the adverse effects of the risks of falling and being in poverty. In urban areas such as Sekondi-Takoradi, housing is a very challenging issue which accelerates a household's risk to environmental, physical and health problems, unlike the rural part of Ghana, where an individual's entitlement to a room is based on kinship and since every individual belongs to a kin, housing may not be as challenging as the urban areas.

Housing stock is inadequate and the few houses available are very expensive since most of the housing in the urban areas are privately owned and landlords determine the prices of rent based on their own calculations with little or no regulations from state institutions. This affects the urban poor as a lot of households' stay in kiosks and metal containers, dwellings which a privileged few are fortunate to get.

HH9 states how he slept at the market square for nearly two years when he initially migrated to the city to find a livelihood to support his family back in the rural area. He said he was fortunate to have found favour with one of his usual consumers he carries his loads at the market. The man assisted him to live in the boy's quarters of his apartment under the condition that he will be a *watch man* (security guard) in his house. Although, housing may be difficult to access in the city, one's network to a well-to-do household may enhance the capacity of the individual to gain access to a house in the city and cope with shelter challenges without paying for rent.

In event of floods, those vulnerable households who are affected move to live with families and friends at non-flood prone areas. This helps them to protect their resources and

lives since flooding can be catastrophic. Households cope through the assistance of social networks which provides temporal and sometimes permanent accommodation for poor and vulnerable households in the city. However, single-member households are easily link with accommodation than marital households. HH15 claim he sold his car at a cheaper price to equip his household to rent accommodation although his friends wanted to support him to stay with them. He continued that selling of his car was not that his friends could not have supported him. He added that his decision was based on him being married and could not move in with his friends. From this, it is clear that single households are easily mobile and may cope in the event of ejection from house however, similar experience may be inapplicable to married households.

In addition, poor households send their children to stay with other relatives who provide for the basic needs of the child whilst the child also provide service in return to the present household. HH13 explained that she asked her sister to allow her daughter to come and stay with them in order for her daughter to get a better future. She said:

“For my daughter to be educated and not be poor like me, I decided to send my daughter to go and stay with my sister who is better off than me. It was not easy convincing her but she agreed to care for my daughter’s tuition fees and upkeep. My daughter is now a graduate and she is now my financial backbone through her monthly contribution for the household.”

Households uses different strategies to cope with shocks. A member of a poor household who stays with non-poor household has the responsibility to send money back home to support her parents. Sending children to stay with other relatives reduces the cost of consumption for extra member which enhances their capability to better care for the rest of the household. In addition, a household member who is trade-off benefits from building the human resource capability to engage in livelihood activities with higher returns.

Child and aged support

Childcare and old-age support are seen as very important in the society as everyone is a child at one point and will grow old at another point which calls for critical assistance for such category of people. Childcare and old-age support may be either by choice (i.e. caring for someone who is less-privilege) or through necessity, such as the death of parents and no adult child to care for the old.

Households depends on one another, especially when one gives birth and has younger children. It is believed that if a woman gets pregnant six months after giving birth to another child, the probability of the first child often getting sick is high, hence family members, especially grandmothers assist with the responsibility of taking care of the first child to allow the pregnant woman enough time to care for the pregnancy. Child-caring are common practice, as a lot of households do not have adequate resources to send children to day-care centres at very young age. Grandmothers and other adult household members care and wean the child when the parents have to resume work or embark on long distance travels for socio-economic gains.

Likewise the aged are also supported through the giving of financial, health and social support to enhance their capacity to live long and healthy lives. In Sekondi-Takoradi, there are no old peoples' homes where people can send their aged there to be provided for since there is believe that everyone belongs to an extended family and as a policy, there is the need for family cohesion to impact generational knowledge from the old to the young.

Although, there are policies in place for the extended family to care for the aged, it must be noted that not all old people do benefit from family support as some depend on their little pension to survive. Others also solely depend on their children to provide them with the needed support to prevent them from becoming poorer. HH19 claims although, his father receive pension pay his household in addition transfer monthly allowance to his dad. He added his father use the money to care for other vulnerable children in the community. This shows how informal safety nets complement formal safety nets without crowding out. In addition, transfer to the aged are also used to care for grandchildren and vulnerable people living with the aged in the city (Granovetter 1995).

From the above discussion, provision of childcare and old-age services may not be the sole responsibility of the extended family and intra- household, however, other members such as friends and neighbours also support household with childcare and old-age services to enhance the capability of poor and vulnerable households to have no-fee services for their children and aged when they are not available to care for them.

Emotional

People are emotionally affected through risks such as the death of a household member, long-time illness, chronic diseases, failure of children at school, loss of employment, and erosion of assets through fire and floods. In all this situation there is the need for a level of support to help a household cope and mitigate the risks.

Emotional coping is where the vulnerable and poor households are comforted; this is very important as it helps build emotional and physiological capabilities of the victims to mitigate and prevent risks. Studies conducted by Berkman et al. (1992) of the survival of elderly patients hospitalized for acute myocardial infarction indicates that patients who lack emotional support through families and friends is significantly associated with first-six month mortality. This shows how emotional support may relieve and enhance capability of a household who is exposed to risk to cope and mitigate risk to prevent vulnerability and fall into poverty.

In case of risks, a household finds assistance and cooperation from families and friends who are ever present to share and help relieve the household at risk from any consequences emotional challenges. HH8 share his experience that although he is incapacitated to engage in active livelihood, he is able to cope with his situation because his friends and family continues to comfort him through hard times and he is able to forget about his troubles and concentrate on what the future holds for his household.

The reason for social networks supporting poor and vulnerable households is because no one is inevitable of risk and vulnerability. Participants from the focus groups unanimously express an Akan adage which literally means:

“... today maybe someone, tomorrow might be me. You can sleep soundly when your neighbour is also soundly asleep.”

This shows how people relate to emotional stress when a household is exposed to risk. Since there is the need for peace and solidarity among households in the communities, every emotional support is mobilized to help the stressed household to cope. The use of comforting words like, *“it is well”*, *“never loses hope”*, *“God knows best”*, are used to encourage poor and vulnerable households to cope with risk. Affection exhibited through social networks help the affected household to easily cope with the situation as people frequently visits and ask how the household is coping hence the gradual lessening of pains which will have had an adverse effect on the household.

Religious and spiritual assistance

Households in trying to cope with risk uses both physical and spiritual means as a risk management strategy. Some households mentions that to be religious is to provide assistance for the poor. In view of this, they use this strategy to extract cash, goods and services from the non-poor through zakat, and church welfare system. According to HH22 they depend on

almsgiving to meet their daily needs. Non-poor households are willing to support genuinely poor and vulnerable households. In HH22 own words she claims zakat is her only means to access resources for the wellbeing of her household.

“My family always get assistance from zakat which helps us to buy food and we are able to save money for the future. When times are good especially during the fasting period we get more and goods from the rich households. I always pray that people should be good to my household everyday so we can save more money and make meaningful living without depending on zakat.”

In addition, households who belong to religious organisations such as churches also receive a form of assistance during shocks. The churches in the city have a welfare system that support vulnerable and poor households. Although, the ability to access such funds are mostly based on a households’ affliction to the organisation. Others are based on a contributory system where only those who support others are supported during times of hardship.

Moreover, households mention that children from poor households in some specific churches are supported with a scholarship package to assist the household in educating the children. However, children who are supported from this type of welfare must be intelligent but poor. Although, this assistance helps to sustain children from poor and vulnerable households, policy makers should critically examine how to support children from vulnerable and poor households who is incapable of extraordinary intelligence but have the capability to make effective contribution to the society through their skills.

Furthermore, households in averting risk uses spiritual means such as fasting and praying to seek for spiritual protection against shocks. HH23, a business woman states how her business would have collapsed if her friends at the market had not introduced her to a pastor who prayed for her and gave her “*holy water*” a concoction potent enough to drive away demon who took her money. After this experience she claims to be making more profit from her business and she has been able to employ more people through expansion of her business. This confirms studies carried out by Halawayhi (2014) in an urban slum community in Sekondi-Takoradi indicates that households go to spiritualist to seek for charms to aid promotion at work, quick market, success, and as a form of exorcism from ailments caused by witches. The means to an end is the most important concern for the vulnerable and poor households. In view of this they prefer to use any means which will keep them from becoming poorer.

A presentation of risk management strategies use by households

The diagram below presents the summary of the discussions above. Although, the diagram shows coping and mitigation strategies use by households as a separate category as distinguished in theory. It is worth-mentioning that these strategies used by households in reality is a form of continuum rather than two different category. The critical issue for the vulnerable and poor households is how best they can avert risk to keep them from becoming poorer. This is similar to studies carried by Devereux (1999) in households' livelihood and coping strategies in Malawi.

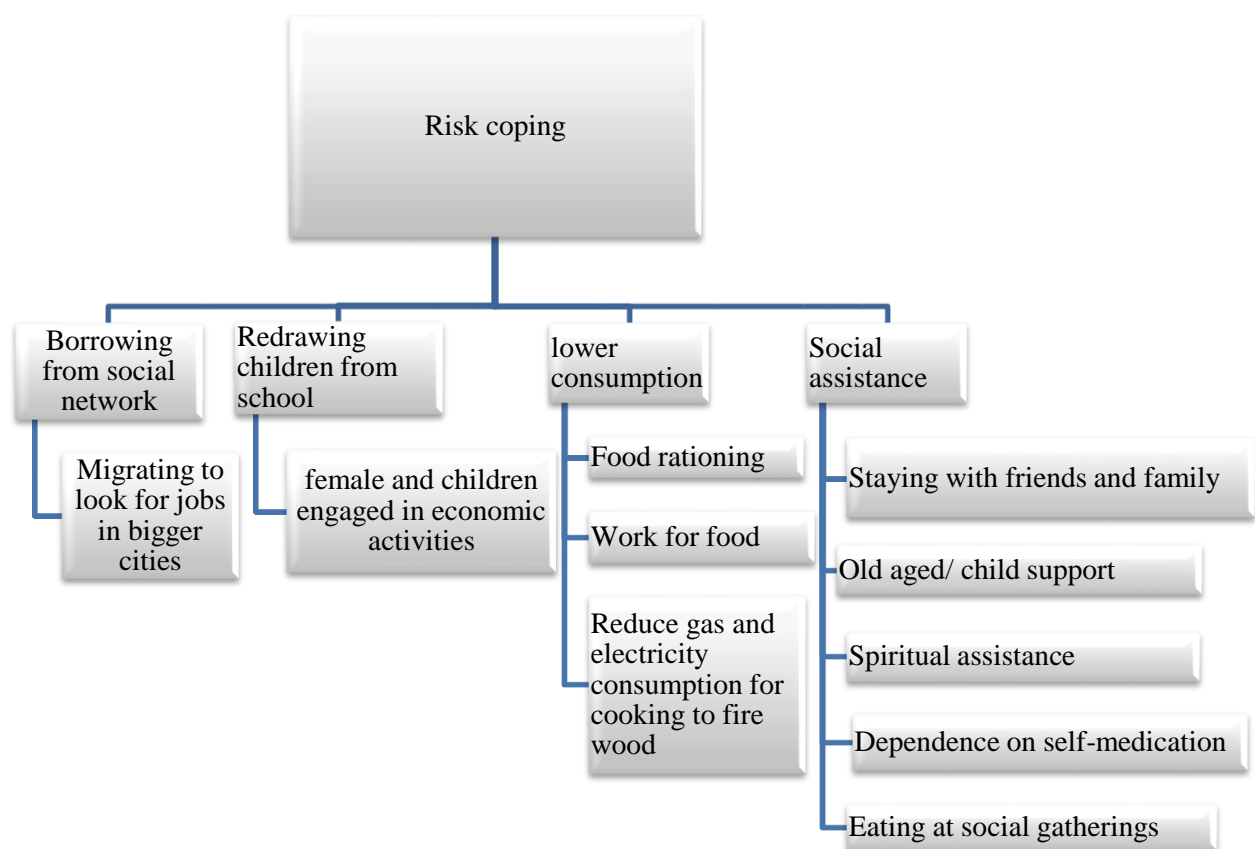


Figure 7. Households' coping and survival strategies.

Source: Field work 2014.

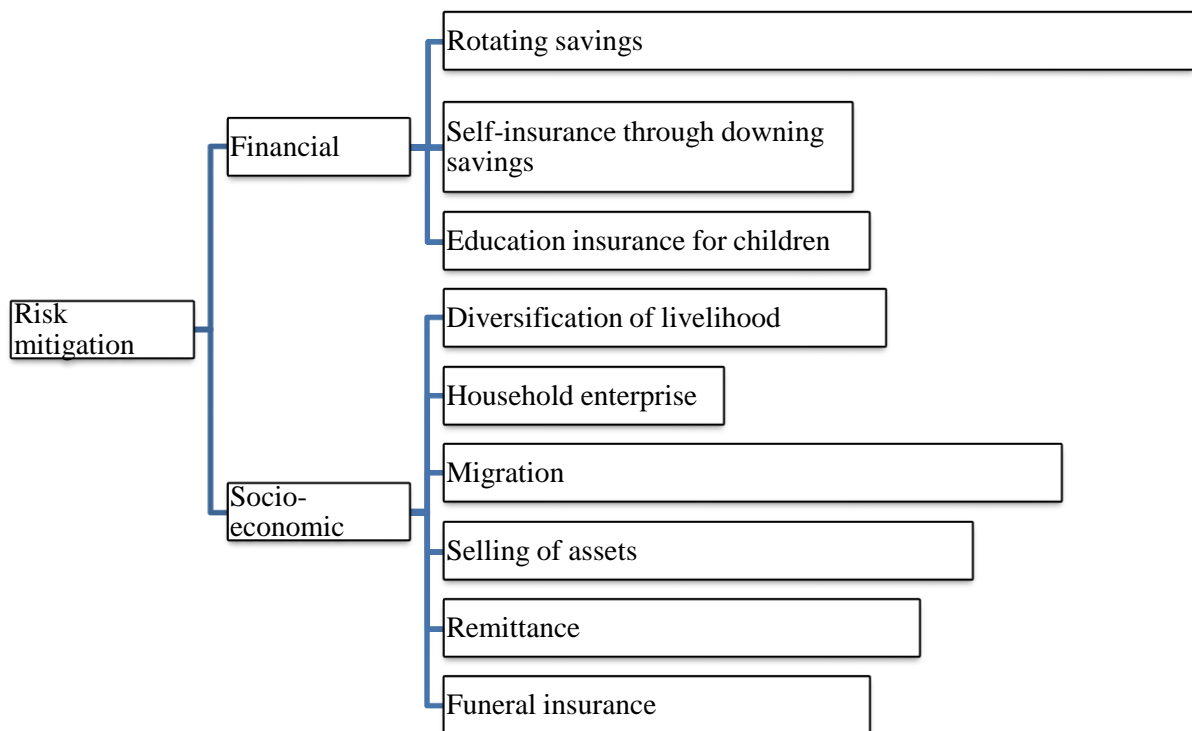


Figure 8. Households' mitigation strategies.

Source: Field work 2014.

Chapter summary

From the above discussion, it is clear that households use different types of coping and mitigation strategies. These risk management strategies involves, borrowing and begging, staying with social networks, rotating savings, insurance, downing of savings, selling of assets, migrating, livelihood diversification, household enterprise, religious and spiritual support and alternative use of resources such as cutting down of mangroves for fire instead of gas. Some of these measures are detrimental to their wellbeing and increase their likelihood of becoming more vulnerable when expose to other forms of risks.

The discussion above indicates that there is no clear cut measures between risk coping and mitigation measures. This further shows that at any event of risks households are more likely to survive with the shocks through activities mentioned above than mitigating the impact of shocks in their lives. This help them to cope with risks in the short-term however, from the observed information these strategies such as redrawing children from school, lowering food consumption, overuse of natural resources are only means of survival and may not be classified

as a safety net which can sustained them at their degree of poverty. As an effect may result in decline in their resource capability in the long-term to build resilience against shocks. This behaviour may lead increase their susceptibility to fall into poverty or become poorer in spite of the measures they put in place.

HAVE THE FORMAL SAFETY NETS REPLACED THE FUNCTIONS OF INFORMAL SAFETY NETS

Introduction

In this chapter I will ascertain whether some uses of informal safety nets have been superseded by the formal safety nets. I will examine components of the formal safety net (FSN) provided through governments, market players and non-governmental organizations (NGOs) on one hand and the ISN on the other hand. A household who is at risk to become poor needs to be insured to enhance their capability to forestall the effects of taking severe measures which may bear on their consumption, assets, income and livelihood. In view of this, individuals put in place schemes to combat risks and vulnerabilities through the provision of FSN to keep families from being impoverished. It is important to find out if such programs have put back the traditional roles of the ISN in the urban communities.

Replacement of ISN functions by FSN

FSN is a development strategy being followed out by many transitory and developing economies such as Brazil, Mexico, South Africa, Uganda and Ghana to support the poor and vulnerable to handle hazards and vulnerability (Morduch and Sharma 2002). Such policies are being implemented within the broad framework of social protection. Nevertheless, there has been concerns as to the effects of such plans on the ISN in developing countries since most governments may have less resource capacity to sponsor a comprehensive formal safety net.

Traditionally, the extended family, acquaintances, neighbours and community members are the inaugural line of support for vulnerable and poor households when they are exposed to shocks (Arnall et al. 2004). The ISN actors served as an insurance mechanism for the poor through the supply of commodities. The ISN assists households with information and cash to seek health maintenance, instruction, food, support opportunities, informal skills training, communal labour, disaster, funeral and marriage support (Rosenzweig and Stark 1989, Cox and Jimenez 1992, Granovetter 1995, Dershem and Gzirishvili 1998, Devereux 2002, Fafchamps and Lund 2003, Arnall et al. 2004, Foster 2005).

Households shared food, clothes and shelter together through communal living and are able to mitigate risk easily through pooling resources together to cushion shocks. Even so, with the gradual corrosion of the moral economy, which bond households, extended family and community members together (Adams 1998), this has affected the ISN to function effectively as a substance of policy against individual and systemic risks hence the gradual replacement

by FSN (Dercon and Krishnan 2003). The discussions below presents the perception of the households as to whether the functions of ISN have been replaced by FSN.

Health insurance for indigents

Before the introduction of the national health insurance scheme in Ghana in 2005, vulnerable and poor households depended on the ISN to provide sustenance for them when they were faced with ill-health. They served the ill and unhealthy through the provision of guidance services, spending time with the sick, provision of transportation and cash to send the sick to seek medical attention.

HH9 indicate that before the introduction of the health insurance, any time any of his relatives were ill, his main source of support was his master and church. However, things have not been the same to him, as people refuse to support him when he and any of his relatives are ill. He continues as:

“This health insurance has come to ruin things for me. Now, when I fall ill I am asked to travel to the hospital with no additional money. At times, I need money to go and take care of my old mother when she is sick but when I ask my master for money, he will ask me how old my mother is and when I reply 70, he would tell me to take her to the hospital since she is eligible for free health care.”

Although, the health insurance’s replacement of traditional health care support is effective against certain risks which impoverish households, some mention that the health insurance scheme may be unfavourable to them because they are not getting the needed resources as before. According to participants of the focus group, people are no longer willing to support vulnerable and poor households when they are sick. HH4 mentioned that although the health insurance is in existence, its coverage is limited to certain ailments.

Livelihood enhancement programmes

Previously, a youth from a poor household was assisted to learn a trade such as sewing, dressmaking, hairdressing, carpentry, machinery and masonry from an adult household member in the community. According to HH15 when his parents passed away and he had nobody to help him, his maternal uncle came from Accra, took him to a mechanic shop and paid for his apprenticeship to learn the crafts. He adds that:

“Because my uncle did not want me to continue to depend on him, he paid for my apprenticeship to get a skill to develop myself and that of my siblings. Ever since the government took over the responsibility of training the youth from poor homes, the extended family is now reluctant in paying for poor household members to learn a trade.”

One of the roles of government is to enhance the growth of human resources through quality health and education which enables poor and vulnerable households with the capability to maintain their level of use. This is carried out through the livelihood enhancement programs which equips them with the required skills to bring in income. Some of the beneficiaries in such programs describe how the training program assisted them with equipment and tools after graduating and they were able to start-up small businesses to cater for their families. For example, a member of HH13 who is participating in the program explained how prior to her enrolment her household strived to survive because none of her extended family members were willing to support her to continue her education or to even learn a trade until she was enrolled into the livelihood program.

“The income I earn from this livelihood program is what we use to buy food and pay for our rent. Although the payment of salary sometimes delays, I am able to borrow money from other households because they know I will be paid by the government so they are sometimes willing to give me an interest-free loan. Unlike before my enrolment, we could walk through the whole community and no one was willing to even give us food on credit.”

Although this program may have replaced the former informal safety nets, it has improved on households' ability to sustain themselves from becoming poorer; as shown by the case above, households depend on income and wages from members who profit from such safety nets. This also shows that a cash transfer to a particular member of a household trickles down as a safety net for them as a whole. This calls for the need for such programs which cause multiple effects of sustaining poor households in their period of poverty.

Family donation and Funeral insurance

Funeral and marriage ceremonies are crucial to households in the metropolis, hence the demand for huge sum of money to organize these activities. Traditionally, when a member of a household died the cost of the funeral is estimated and shared among every adult member of

the extended family. In view of this the risk is spread, especially among the well-to-do family members whilst the poor is exempted from such cost. Nevertheless, due to urbanization and breakdown of family associations, urban households when exposed to death risk are made to bear the cost by themselves. According to participants of the focus group, a lot of households have become poorer as a result of funeral indebtedness.

The vulnerability created through funeral activities has contributed to the introduction of general policies by insurance companies to insure households against becoming improvised during funeral ceremonies. As a result, households' who are insured have the ability to sustain their level of consumption during and after funeral activities without depleting their reserved resources.

A spouse from HH11 mentioned that to prevent her household from falling into poverty, she has insured her aged mother and her husband so that at their death, she can receive her insurance claims to continue to back up her family. Furthermore, HH8 claims he was able to organize his father's funeral without any challenges due to funeral insurance. He said that:

“Without the support of any family member I was able to support my father's funeral successfully and I even benefited from the insurance claims and contributions from friends and family unlike my brother who became poor after the funeral because he did not have any security.”

This shows that households who insure themselves against funeral risk through insurance are more likely to defend themselves than those who depend solely on the informal contribution mechanism. However, the mode use of this type of insurance only addresses the needs of the middle income households in the metropolis and not the poor. This is because the poor may be incapable of contributing to insure themselves, hence remaining in poverty.

Educational support for poor, orphan and vulnerable children

In time of trouble, such as the death of a breadwinner, unemployment and HIV positive parents, poor, orphan and vulnerable children were assisted by the extended family to continue to cater for the educational needs of these children. However, with the gradual erosion of the extended family, orphaned and vulnerable children do not get the needed support as before. For this reason households who are in such categories depend on assistance from city authorities and NGOs to keep them sustained.

According to an official in the metropolitan, this has been recognized as a challenge and funds has been allocated in the development plan of the metropolitan assembly to offer

learning support for bright but needy children. The eligibility criteria for the selection is grounded on the intelligence of the child and verification of whether the child is indeed from a needy home. Some of these children have been supported in the field of medicine, social sciences, business and engineering. However, most of the beneficiaries are those entering and continuing their education at the tertiary level whilst those at the secondary receive no support for their education.

Furthermore, some of the NGOs provide educational support to orphans and vulnerable children in the communities. This support includes school uniform, books, bags, pencils, pens, food and paying of tuition fees. NGO Z caters for approximately 65 orphans and vulnerable children whose parent are dead or infected with the HIV virus. This instance of support receives from city authority and NGOs helps to keep vulnerable and poor homes from becoming poorer whilst it replaces the former ISN function to care for orphaned and vulnerable children.

Caring for the aged and social pension

People who become vulnerable during old age as a consequence of their limited capability to take on economic activities also are exposed to varied ailments. Previously, old people were cared for by their relatives and communities. The ISN supported the aged with cash, food, clothing, health care and social support. However, the aged who were formal workers depends on their pension which sustained them in their degree of poverty whilst the aged-informal workers mainly depend on the ISN to cushion them. The pension system is grounded on the minimum level of contribution and age eligibility, which is 60 years in Ghana.

Households which depend on the pension scheme mention that they hardly receive ISN support from their relatives and communities. HH21 explained as:

“Anytime I ask my children for money, they refuse to give me and reply that I should manage my pension money. This money is small and I have to support other people too. But my friends who were engaged in informal work and are in the same age group with me receive money from their children. I do not see why my kids are doing that they are refusing to take up their responsibility.”

This indicates that some households who receive formal safety nets are less probable to receive ISN support from kin and friends. This is because the social network is aware of the household having an income transfer which can cushion them. This course of a formal safety net replaces

the traditional obligation of children caring for the aged. This explains why HH21 accused his children of being irresponsible.

The reason for the behaviour of the younger generation not caring for the older generation is because there is neither an altruistic nor transaction motive for them to transfer cash to the aged. This occurs as a consequence of the knowledge that there is a kind of safety net available to cushion the aged hence their inability to be concerned as to what may happen if they decline to transfer cash for the aged households. Although, households who receive from the pension scheme commended on how the cash received from the scheme helps to sustain them, they also mention that the cash they receive is very meagre whilst the ISN also refuses to support due to the existence of the cash.

According to officials at the city authority, the government of Ghana is about implementing a social pension scheme for all the aged who are non-contributors to the social security scheme. This formal safety net will enhance the capability of the aged to sustain themselves and provide for their grandchildren and other household members as identified by Winnberg in his master's thesis in Lesotho (Winnberg 2012). Nevertheless, this type of social pension will replace the traditional role of the ISN where the needs of the aged are cared and provided by their children, relatives or communities. In view of this, before the implementation of any social pension system for all aged needs to be analysed within a framework of how it may affect the ISN.

Rotating saving (Susu) and credit safety nets (CSN)

Poor households used to depend on rotating saving when they are exposed to risks. HH2 describes how the rotating saving was used in the past to sustain their food consumption and also support to other household members.

“My friends and some family members who lived together in the same community used to contribute to the “susu” which was given to one person for safe keeping. This really helped me as I usually take the first contribution to buy some food stuff in bulk to keep my family. I could not have waited long enough to save money by myself to buy those food items, but as some people contribute, the money is big enough to do something with.”

She continues that with the current progress of the saving and loan companies, households are no longer interested in the susu scheme. This is because the micro finance institutions (MFIs)

are using a similar model as the traditional form of rotating savings hence replacing the ISN function of supporting poor households

The credit safety net (CSN) is a mechanism to support poor and vulnerable household through the MFIs. This safety net is embedded in group security and targets at livelihood and consumption capability activities than the mainstream financial system. The CSN system builds the informal group to enhance their capability to manage the funds to expand their livelihood to pay back funds with little interest. However, the interest rate from the MFI is basically lower than the traditional banks. In addition, there is flexibility in the payment system which enable the poor and vulnerable to access this type of support to enhance their consumption to prevent risk and vulnerability.

To avoid non-payment of funds the group serves as a guarantee. In view of this, funds are disbursed to the group, through which each single member chooses the specific amount needed to begin and spread out their support. The credit safety net system makes the group to re-pay for a vulnerable member who may default. As a consequence, the poor member is insured by the group and able to support the household expenditure. This is in contrast to the formal financial institution where vulnerable and poor households may find it challenging to access loans.

Furthermore, NGOs also provide modest grants to identify poor households in the urban areas, particularly those dwelling in slums to enhance their capacity to branch out their livelihood. To attain sustainable growth without compromising the depletion of natural resources and causing global environmental change, households whose primary livelihood are dependent on natural resources receive small grants to venture into small jobs. According to some beneficiaries of the program, their households have been sustained through the grant. Although the household's poverty has not alleviated they recognize themselves as less poor.

Disability grant

The responsibility of caring for people living with disability was solely by the extended family and community. ISN provided cash, shelter, disability friendly equipment and food to the disable person. Some homes in the study area explain that they have given up to support people with disabilities because the government and NGOs normally support them with a grant. In addition, most of the programs designed incorporates person living with disability as they are identified as a vulnerable group.

According to an official at the metropolitan assembly, the grant is given quarterly to support them to improve their capability through buying livelihood equipment such as sewing

machine, shoe making machine and hair dryers whilst others use the cash to seek for health care such as surgery and wheel chair to support those who are crippled. Conferring from HH8, a household head who became crippled after he was involved in a vehicle accident, he said after the incident, he sought for support through the social service for a leg surgery. He added that his wheelchair was also bought from the grant which has enhanced his movement and ability to assist his spouse's livelihood. Experiences from household members living with disability indicates that the disability grant has come to replace the ISN.

The table below present functions of ISN replaced by FSN

Informal safety nets	Functions replaced by formal safety nets	Formal safety nets in existing to informal safety nets
Traditionally skill training	Livelihood enhancement programmes	
Paying for health care	Health insurance for indigents	
Caring for poor, orphans and vulnerable children by extended family		Educational support for OVCs
Rotating savings	Credit safety net by MFIs	
Caring for the aged		Social pension
In-kind and cash funding for funeral and marriage ceremonies		Funeral insurance
Support to people living with disability	Disability grant	

Figure 9. A presentation of formal and informal safety nets.

Source: Field work 2014.

Chapter summary

The experiences presented in the table above indicates that some functions of the ISN has been replaced by the FSN whilst other existing FSN are still in parallel to ISN. The ISN replaced by the FSN includes rotating savings, support to people living with disability, skills training and paying for wellness maintenance. Those FSNs which are similar to the ISN are cash for the aged, funeral insurance and educational care for poor, orphan and vulnerable children. Although, some orphans and vulnerable children are being provided for through the ISN, this form of assistance is gradually eroding in the study area. Similar studies show that the care for

orphan and vulnerable children with HIV parents in South Africa have been replaced by the child grant support (Foster 2005).

Although on that point is the contention that the government will be able to support formal safety nets with a low portion of the nation's shared GDP (Grosh et al. 2008), a total replacement of ISN functions will undermine socio-cultural bond between households, extended family, friends and community. As a result the function of FSN should complement the ISN without necessarily replacing it.

CHAPTER SIX

FINDINGS, RECOMMENDATION AND CONCLUSION

Introduction

This chapter discusses the main findings, recommendation for future research, policy implementation and conclusion that were revealed by the study. Several of the issues are relevant to the discourse of social risk management, formal and informal safety nets among households.

Findings

The study revealed a number of factors that increases a household's vulnerability to fall into poverty or become poorer. This includes the loss of a breadwinner through death or divorce, poor health, loss of livelihood, old age, low levels of education, debt and flooding. Moreover, the cases submitted indicate that every household is likely to fall into poverty or become poorer when they are exposed to risks. Yet, the sole difference between a household becoming poorer on one hand and a sustained household on the other hand is formal and informal safety nets which cushion them. The study reveals that the less resource capability in the household the more prone the household is to fall into poverty. This is because the health, education level and livelihood of a household enhances its financial, physical and social resource capabilities to deal with risk and vulnerability.

Other findings suggest that some coping and mitigation strategies used by households to deal with shocks are generally damaging to their overall wellbeing. This includes redrawing children from school, food rationing, engaging girls in early marriage, child labour, illegal migration and self-medication may be survival means which does not maintain their consumption level, hence having a negative impact on their welfare. These actions decrease their human capabilities in terms of health, education, income, productivity and assets which could have enhanced their resilience towards risks. This endorses studies by Rahman and Choudhury (2012) which depicts low capability of vulnerable households to take investment opportunities to build their resilience. The result of this work is in line with coping strategies used by families in other growing nations such as Namibia, Malawi and Indonesia (Subbarao et al. 1997, Devereux 1999, Dhanani and Islam 2002).

The studies show the importance of families, friends and communities as a critical safety net which most households turn to when they are exposed to risks as argued by Dershem and Gzirishvili (1998). The informal safety nets have the ability to support in times of crisis.

However, its decline as a result of increase in fuel prices and the removal of agricultural subsidies which affects majority of households, hence the inability for households to support each other. It also discloses that although there may be some sort of formal safety nets, the informal safety nets are irreplaceable in the spirits of the poor as an effect of the complexity of its purpose to cater for emotional and spiritual demands.

Furthermore, the expectation of the younger generation taking care of the older generation is diminishing. This is because of the socioeconomic hardship households are facing. Also, the concept of collectivism where any property for the extended family belongs to each and every member of the family is declining due to globalization and the squeezing of the nuclear family arrangement. This has encouraged a sense of individualism hence the reduction in the transfer of resources to support the aged. As a result, older persons who are due for retirement in the formal sector feel reluctant to withdraw due to an inadequate pension fund to support them whilst those without any kind of pension depends on borrowing, begging and remittances from family members. In summation, the studies demonstrate that those aged who receive social security are less probable to have support from informal safety nets than their counterparts in the informal sector.

My findings show that more households in the urban areas are getting down to insure themselves through the market system. However, those classes of people are mainly those in the category of non-poor and near-poor households. In addition, the formal private safety nets are mainly patronized by the middle class households than poor households. The use of the market is unfavourable to enhance participation of the vulnerable and poor households to cover themselves. Thus, the poor resort to the usage of social network, especially the religious network to secure themselves against the consequences of shocks.

The findings suggest that there are few available formal safety net in urban areas as compared to the rural regions of Ghana. In view of this the studies could not fully demonstrate the extent of replacement of informal safety nets' functions by the formal safety nets. However, with the littlest formal safety nets available, it is evident that there is a gradual replacement of the functions of the informal safety nets where extended family, friends and community provided shelter, food, skills training, health, education, aged and child care support to sustain vulnerable and poor households in their degree of poverty by the formal safety nets. This has become necessary as a result of the aforementioned challenges in terms of urbanisation, unemployment, reciprocity and erosion of extended family.

Furthermore, the findings suggest that there are problems in the few existing formal and informal safety nets. These problems include wrong targeting, long bureaucratic

procedures, less dissemination of information, reciprocity and mistrust. Wrong targeting has led to some non-poor households to have support whilst those from vulnerable and poor families who needed the support have been left out. From the research, it is observable that some children from non-poor households receive scholarship assistance whilst the unfortunate children who are in need of the scholarship to attain their human resource capability are deprived. This is said to be due to political favouritism which indicates that unless a household is associated with the ruling government or knows an official, it becomes difficult to get the required resources to maintain the living conditions of a household. In view of this some poor children with excellent academic results are incapable of advancing their education to the tertiary levels hence staying poorer. Until the right targeting is performed to enhance poor households capability through formal safety net transfer, poor households may continue to become poorer which may contribute to ineffective poverty alleviation. This is because for there to be an effective poverty alleviation those already vulnerable and poor must be supported at their stage of poverty to prevent them from becoming poorer which may be problematic to deal with due to inadequate resources.

Another weakness identified in the formal safety nets is its inability to address the needs of the urban dwellers which includes shelter and food. Unlike the rural areas where a poor household can easily access shelter and food from some members of his extended family, the urban poor have a bit of a challenge in this regard. The lack of affordable housing in Sekondi-Takoradi and the exorbitant price tags on food makes life unbearable for the poor urban households. In view of this, any provision of formal safety nets which does not cushion the poor in this regard makes them poorer than before.

The findings also reveal that before households who are faced with shocks may be able to access formal safety nets, they ran into a great deal of long bureaucratic procedures. This process takes far longer than usual; as a result poor households become more miserable even before they receive the support, hence an inability of the formal safety nets to keep them. It is evident that the timeliness of support released to sustain households is really significant. This is because a timely safety nets will improves the resource capability of poor households, thereby keeping them at their point of poverty than untimely safety nets which makes them worse off than before. For example, it was revealed that poor households spent much on transportation cost to access their social security and aside that they have to frequently visit the responsible institution several times before they have the formal safety nets. They said administrators give a series of excuses as to the delay such as: *“Our system is down so go and come tomorrow”*.

One other challenge is less dissemination of information about available formal safety nets and the eligibility criteria. As a result, some households have become poorer due to the fact that they were ignorant of available formal safety nets which could have sustained their level of consumption. The less information to the poor, the more the non-poor takes advantage of the situation at the expense of the poor. Hence the poor continue to become poorer though there may be some formal safety nets available which may perhaps have sustained them.

Another problem in the informal safety nets is reciprocity and mistrust among households. The studies found out that households who have poor personal experience with other people are reluctant to support a household who is faced with shock as a result of mistrust. According to the households, they may be unwilling to support poor households because some of them use the assistance as a means to exploit non-poor households. In addition, households express how some people take other peoples' children to ask for alms and they tell lies to get money from non-poor households. In view of this when a genuine person is at risk they tend to be in a dilemma as to whether they should provide assistance to such a person or not, hence increasing the decline of the ISN. This study is in contrast to Devereux (2002), which shows that it is the non-poor households who exploits the poor in time of crises. In accession, where there is less reciprocity there is less transfer of informal safety nets, whilst a higher reciprocity leads to an easy transfer of resources. This also points to the fact that a strong attachment of trust and reciprocity among households influences the support poor household receives to sustain their level of consumption (Arnall et al. 2004).

Recommendations for future research

I recommend a future research in rural part of Ghana, where there are many formal safety nets such as seed for work for farmers to observe whether the formal safety nets have replaced the functions of informal safety nets. In addition, this study may be relevant in the sub-Saharan Africa (South Africa, Namibia, Mozambique and Lesotho) where there are multiple formal safety nets such as universal social pension for all the aged, child support grant, work for cash and work for food. This may enhance academic capabilities as to how the formal safety nets may be designed to complement the informal safety nets without necessarily replacing them.

Households in the study area mention spirituality as another type of risks they are exposed to, which makes them susceptible to become poorer. I realized that households who held a belief in spirituality tend to be more vulnerable as it hinders their capability to cope and mitigate risks. However, some households also claims the use of spirituality as a means to reduce, cope and mitigate risks. Although, I may not have backed up the claim of spirituality

in dealing with poverty reduction programs, it will be significant to recommend further research into the role of spirituality as a social risk management scheme. The reason is that with current research in quantum science it will be of importance if spirituality is introduced in development discourse especially poverty research in developing nations.

In addition, the study revealed that poor female and children are the main category of vulnerable group when a household is exposed to risk. They are accused of witchcraft and cause of a household's vulnerability on one hand and on the other hand, are also used as risk coping and mitigation strategy through marriage, engaging in livelihood activities and migrating to other cities to remit households. In view of this, future research as to why and how females and children are employed as a safety net in case of uncertainties will be interesting for academic discussion.

Policy recommendation

It is my belief, grounded on the issue of this study which shows that households in their own means are building their capability to cope and mitigate with risks to prevent them from going down into poverty or becoming chronically poor. Governments, NGOs, market and communities must complement their efforts to safely insure them against future risks. In addition, market players such as commercial banks and insurance companies needs to simplify their modalities in order to make it flexible for the urban poor to access such insurance products to build their resilience towards shocks. This can be done through a flexible payment plan, which requires a daily contribution of a small amount which may not affect their daily basic needs in order to invest in their children and old-age security.

In order to prevent the challenges that are experienced with household survival strategies which affects the future human development (children) of a country, especially the girl-child from attaining a higher educational status to enhance their human capability to break the cycle of inter-generational poverty, there is the need for government and policy makers to assess and solve all identified risk impact which will make people to stay in poverty before implementation. For example, providing free compulsory education without the necessary facilities to accelerate human development in the area of livelihood, market access to credit, food and physical infrastructure such as water, energy and road, children from high risk households may still be redrawn from school to engage in livelihood activities.

Another recommendation in the designing of safety nets is the timeliness of interventions to respond to shocks. Safety nets must be appropriate to deal with immediate risks before the worst strategies which are harmful to the wellbeing of households are used to cope

with shocks. The loss of human lives, nutritional and educational may be irreversible in spite of future economic development. In view of this governments in developing countries should put in place a holistic safety net framework which has the capacity to improve the resource capability of households. An example is unemployment benefits, child benefits, pension for all aged, socio-psychological counselling and alternative healthcare.

For effective risk management for the aged to cope, prevent and mitigate risks and vulnerability, there is the need to introduce a minimum level of income for the aged which will cushion them against old-age poverty. In designing FSN there is also the need to consider not only income transfer, however, the care and services for the aged needs to be holistically examined through incorporating the role of ISN in cushioning the risks and vulnerability of the aged.

In addition, the implementation of economic policies increases household vulnerability through unperceived risks from economic factors such as the increase in fuel prices, terms of trade, taxation, equipment and currency devaluation needs to be addressed. This affects households who play an inactive role in the pricing of commodities hence their inability to plan to prevent the adverse consequences of such policies in their lives. This can be achieved through initiating appropriate policies and institutions which will guide socioeconomic risks through reduction of systemic risks at the macro level.

The diagram below displays a system which may be employed to assess who needs to be cushioned when the person is exposed to shocks. A high risk household who has lesser resources may need a formal safety whilst a low risk household with more resources required less safety net.

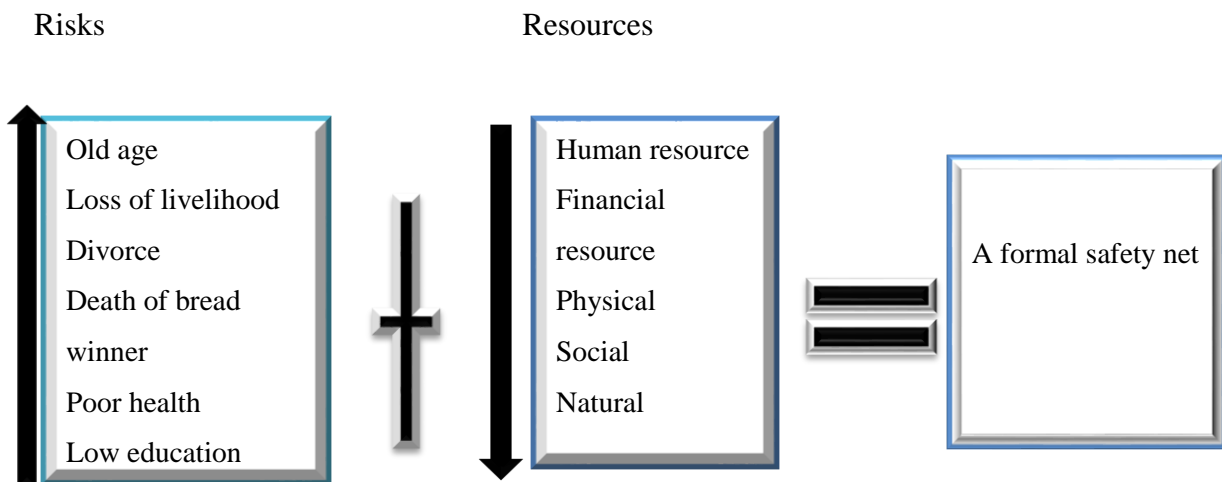


Figure 10. A system of indicators to access safety nets.

Source: Author's own construct.

Conclusion

The diagram below shows that the root cause of households' vulnerability to fall into poverty or become poorer is due to exposure of different types of risks. These risks may be hastened by price variations, poor health, low levels of education, unemployment, urbanization, corruption, breakdown of social structure and poor infrastructure. As a result, households use different mechanisms to cope and mitigate these shocks. Most of the coping strategies used by households are a means of survival and may not be considered as a safety net hence their susceptibility to become poorer. Nevertheless, strong formal and informal safety nets have the ability to sustain households in their degree of poverty whilst weak formal and informal safety nets may lead to households falling into poverty or become poorer.

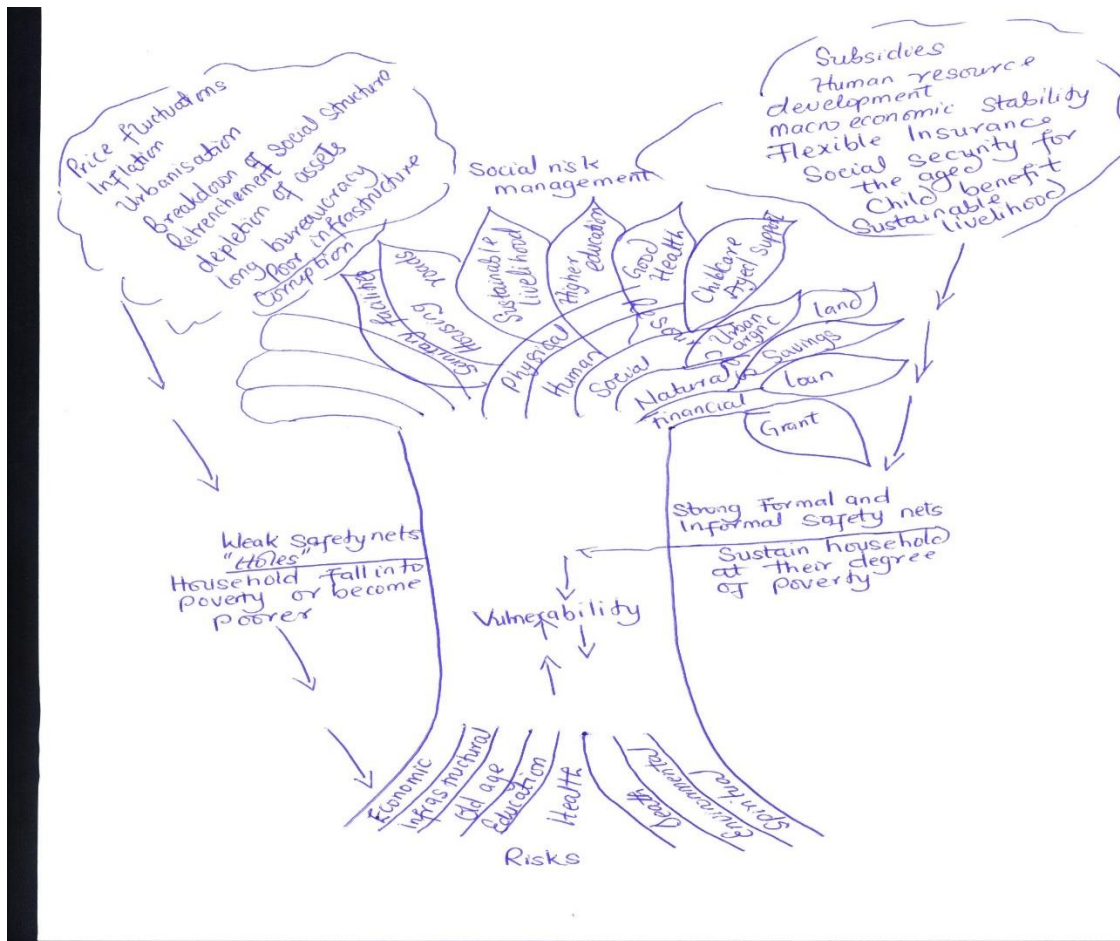


Figure 11. A tree presentation of summary data.

Source: Author's own construct.

Although, the findings indicate that formal and informal safety nets have the ability to sustain households in their degree of poverty, there are holes in these safety nets which needs to be mended. These holes include inadequate formal safety nets in urban areas, wrong targeting, corruption, inadequate affordable housing, food insecurity, long bureaucratic procedures, poor infrastructure, unsustainable livelihood, macroeconomic instability, inadequate dissemination of information and mistrust among social networks. In anticipation of these holes being mended, safety nets may be ineffective and waste of resources if the right reasons for the causes of households' vulnerability are not targeted in an efficient and effective way before implementation.

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APPENDIX

Interview guide

General questions

Age, gender, marital status, occupation, educational level, household head

Focus group

- How do people become poor in the community?
- What kind of shocks do the poor experience?
- Describe how people deal with shocks in this community?
- What are the functions of the informal safety nets?
- What is your perception about the informal safety nets?
- How do social networks mobilize resources and what kind of shocks qualifies for support?

Non-poor households

- In your own opinion what conditions make people to become poor?
- What makes you not to support people who are faced with shocks?
- How do you insure yourself against shocks?
- What is your perception about formal and informal safety nets?

Poor households

- What are the events that made your household to become poor?
- How did you deal with the shocks that made you poor?
- In time of difficulties whom do you receive support from?
- What is your perception about formal safety nets?

Municipal Authority/ NGOs

- What type of safety nets are available in the municipality?
- How do the poor access formal safety nets?
- How have the formal safety nets replace the functions of informal safety nets?
- What has being the role of NGOs in the formation of informal safety nets?

List of informants

Name of Household	Head Of HH Male/Female	HH members interviewed	Age	Gender	Marital Status	Occupation	Education
HH1	Female		45	F	Widowed	Trader	Primary
HH2	Male	Spouse	40	F	Married	Secretary	Secondary
HH3	Male		35	M	Single	Banker	Tertiary
HH4	Female		52	F	Divorced	Trader	No education
HH5	Male		36	M	Single	Former Manager	Tertiary
HH6	Male		45	M	Divorced	Carpenter	Secondary
HH7	Male		30	M	Married	Driver	Primary
HH8	Male	Spouse	52	M	Married	Unemployed	Primary
HH9	Male		29	M	Single	Gardener	No education
HH10	Male		26	M	Single	Student	Tertiary
HH11	Male	Spouse	56	F	Married	Dress maker	Secondary
HH12	Male		71	M	Separated	Pensioner	Secondary
HH13	Female	Child	46	F	Single	Unemployed	No education
HH14	Male		75	F	Married	Pensioner	Tertiary
HH15	Female		51	F	Single	Cold store operator	Secondary
HH16	Female		34	F	Single	Unemployed	No education
HH17	Male	Spouse	49	M	Married	Security	Secondary
HH18	Male	Spouse	78	M	Married	Pensioner	No education
HH19	Male		43	M	Married	Teacher	Tertiary
HH20	Male	Spouse	55	F	Married	Trader	Primary
HH21	Male		65	M	Married	Pensioner	Secondary
HH22	Female		42	F	Single	Unemployed	No education
HH23	Female		51	F	Divorced	Business woman	Secondary

Key informants

Metro Development Planning Officer

Sekondi-Takoradi Metropolitan Assembly

Metro Budget Officer

Sekondi-Takoradi Metropolitan Assembly

Metro Accountant

Sekondi-Takoradi Metropolitan Assembly

Project Officer

NGO z

Project Officer

NGO y